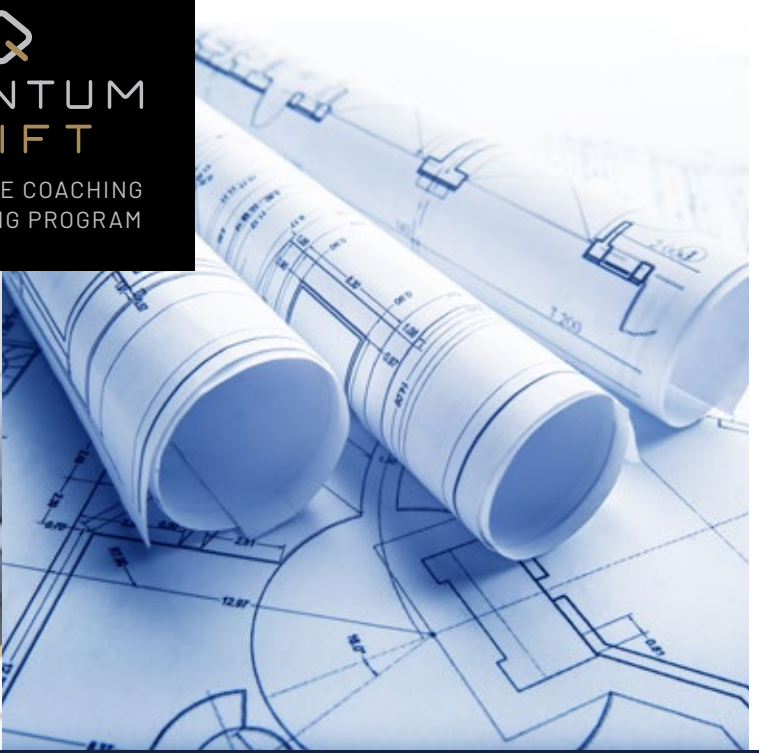





**QUANTUM
SHIFT**
REAL ESTATE COACHING
& MENTORING PROGRAM




FASTPROFITS

Maximise Your Profits From
Manufactured Growth Projects
Virtual Bootcamp 2020

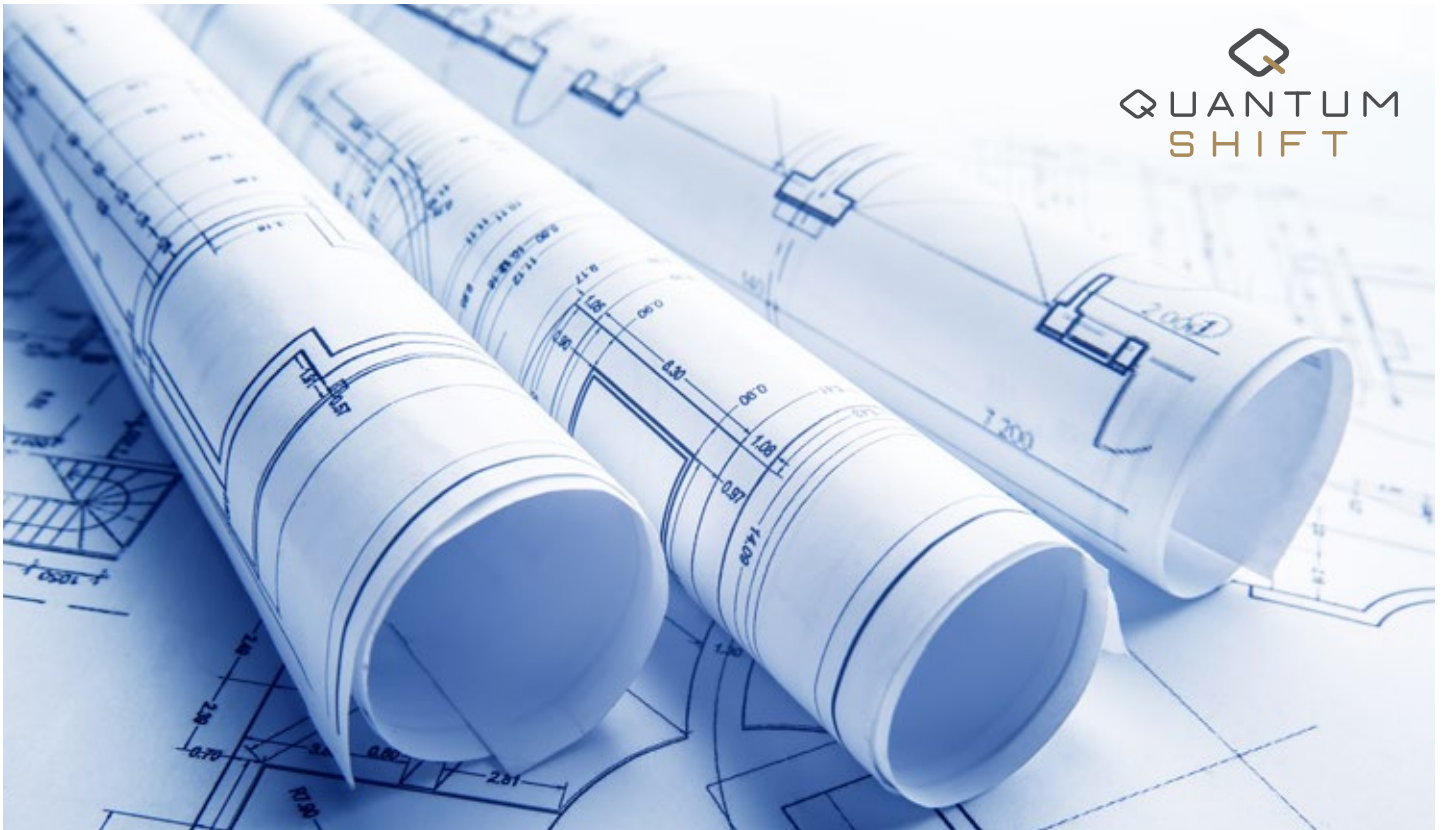


**I LOVE
REAL ESTATE**



Fast Profits - Schedule Day One		
	8:30 – 9:00	Registration
Sam & Nar	9:00 - 10:30	1. Understanding your position and Discount Buying
Sam & Greg	10:30 – 10:50	Morning Tea
Charlie Law	10:50 – 11:30	2. Strata Titling
	11.30 – 1.00	3. Options Unplugged
	1:00 – 1:45	Lunch
Ally Sutherland	1:45 – 2:45	4. Tax & GST
	2:45 - 4:00	5. How to be a good Seller
	4:00 – 4:15	Afternoon Tea
Sam & E	4:15 – 6:15	6. Renovating with the Pro's

Fast Profits - Schedule Day Two		
Tam & Nar	9:00 – 11.00	7. Council Applications for Uplift
	11:00 - 11:15	Morning Tea
Mel & Nic	11:15 – 1:00	8. Commercial Uplifts
	1:00 – 1:45	Lunch
Greg & Mel	1:45 – 3:15	9. Subdivision
DB	3:15 – 4:00	10. Small Construction
	4:00 – 4:15	Afternoon Tea
EVERYONE	4:15 – 6:00	11. 2 Year Plans






1. Quick Chunk Deals





Quick Chunk Deal Psychology

- What the Market is doing is virtually irrelevant
- By virtual we mean – not in a crashing market and even then – if you are quick enough if shouldn't be an issue
- Generally you are not in the market long enough to have a market effect
- Always base your figures on a static market even if it is moving up

Courage is not the absence of fear, but rather the judgement that something else is more important than fear.
~Ambrose Redmoon

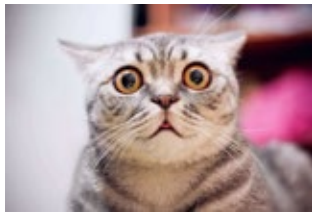
Have the Courage to back yourself!



You don't want to have Rose Coloured Glasses



But you don't want to be a Scaredy Cat either?



So do you need Money for Deposits or Money to Pay down Debt!



What Strategies make Chunk Money?



Now let's put them in order of SPEED?

What about order of EASE?



Existing Property Analysis – Return on Equity Analysis

Portfolio Analysis Worksheet

PROPERTY NAME	INCOME P/A	PROPERTY EXPENSES B	INTEREST \$ C	NET PROFIT D	EST % GROWTH E	EST \$ GROWTH F	VALUE \$ G	LOAN \$ H	EQUITY \$ I	% ROI EQUITY J
	Rentals Income	Mortgage fees, Maintenance	Loan Interest	A-B-C		G * E	Current Value	Loan Amount	G - H	(D+F)/I



If you don't have any existing properties – Use this example to work out the figures



- House value \$650,000
- Loan \$450,000
- Interest rate 5%
- Expected growth 4.5%
- Rent \$500 / wk
- Property Expenses \$5,500 / yr



Property Name	Income P/A	Property Expense B	Interest \$ C	Net Profit \$ D	Est. % Growth E	Est. \$ Growth F	Value \$ G	Loan \$ H	Equity \$ I	% ROE J
	A	B	C	D	E	F	G	H	I	J
				A-B-C		G * E			G - H	(D + F) / I * 100
Example Property	26,000	5,500	24,750	-4,250	4.5	29,250	650,000	450,000	200,000	12.5

NEXT QUESTION: Can you afford Column D in order to gain Column F? Check with Strategist whether Column D is preventing you from moving forward

- House value \$650,000
- Loan \$450,000
- Interest rate 5%
- Expected growth 4.5%
- Rent \$500 / wk
- Property Expenses \$5,500 / yr



Let's use the same example for
Opportunity Cost Analysis



- House value \$650,000
- Loan \$450,000
- Interest rate 5%
- Expected growth 4.5%
- Rent \$500 / wk
- Property Expenses \$5,500 / yr

• Originally bought for \$430,000 over 12 months ago



Let's use the same example for
Opportunity Cost Analysis

KEEP

- Income 500 * 52wks \$26,000
- Est. Growth 650k*.045 \$29,250
- Less Property Exp \$ 5,500
- Less Interest 450k*.05 \$22,500
- \$27,250 ↑

- Funds available on Re-Fi
- \$650,000 @80% \$520,000
 - Less Loan \$450,000
 - \$ 70,000**

- House value \$650,000
- Loan \$450,000
- Interest rate 5%
- Expected growth 4.5%
- Rent \$500 / wk
- Property Expenses \$5,500 / yr



Let's use the same example for
Opportunity Cost Analysis

SELL

- Sale Price \$650,000
- Less sell Costs
 - Agent Comms \$16,500
 - Marketing \$ 5,000
 - Legals \$ 1,500
 - \$ 22,750
- Less Buy Costs
 - Stamps \$17,200
 - Legals \$ 1,500
 - \$18,700
- Net Gain \$627,250
- Less Loan \$450,000
- \$177,250

CGT Calculation	
Gain 650k-430k	\$220,000
Less costs 22.75k + 18.7k	<u>\$ 41,450</u>
50% Exemption CGT	\$ 89,275
30% Tax	\$ 26,782

- Dollars in Hand \$177,250
- Less Tax \$ 26,782
- \$150,468**



So, Should we sell or should we keep?

KEEP

- Income and Growth gain per year \$27,250
- Plus cash in hand to invest \$70,000

SELL

- Cash in hand to invest \$150,468
- **Difference in cash in hand \$80,468**

Q. Where else can you invest \$80,468 and get a \$27,250 return ?
Or a 33.86% return?



BUT

- Make sure that you can afford the negative cash flow, in this case
 $\$27,250 - \$26,000 = \$1,250$ per year

AND

- Check with Strategist whether holding this property is not preventing you from moving forward

By Now you should know your Capacity



Next Consideration

Chunk Deals

1. Manufactured Growth for Sale, or
2. Manufactured Growth for Re-Draw



Manufactured Growth for Sale



- Need Fluid market
- Check Sales Volume
- Check days on the market
- Check auction clearance rates
- Check Discounting



Days on Market and Discounting

<https://www.domain.com.au/suburb-profile/>



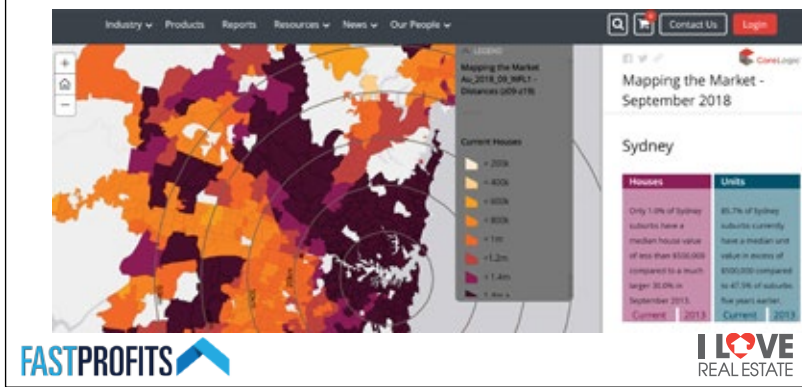
ARE YOU MARKET READY?

What are the questions you need to ask yourself?

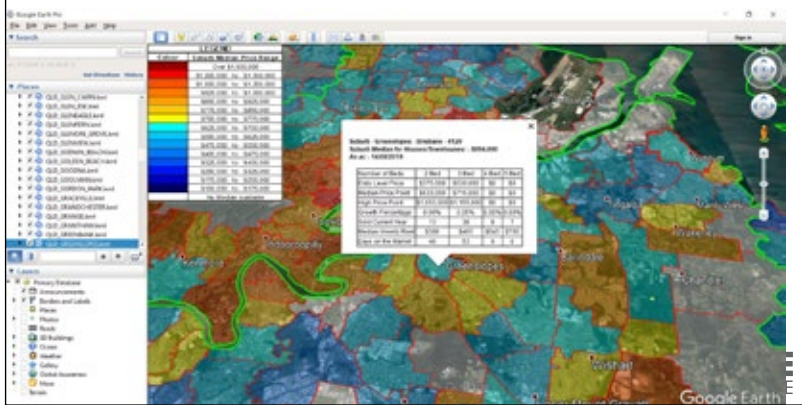
- Do you have enough available working equity?
- Do you have your trust set up?
- Do you have a pre approval on your loan?
- Do you have your loans set up as portable loans?
- Do you have available Joint Venture Partners?
- Do you know what suburbs are your price point? (heat maps)
- Do you need to look at your existing properties?



Heat Maps – www.corelogic.com.au/mapping-market



Heat Maps – GVA Software



Have you done your GVA?



Manufactured Growth for Sale

- Select the right agent for the right job



Manufactured Growth for Sale

- What's your practical distance?



Some Strategies are easier at a distance

- | | |
|--------------------|--------------------|
| • Subdivision | • Easy |
| • Strata | • Easy |
| • Construction | • Do-able |
| • Unit development | • Difficult |
| • Renovation | • Mostly hard |
| • Options | • Physically OK |
| | • Practically hard |
| • Seller JV's | • Mostly hard |



Manufactured Growth for Sale

- Multiple strategies work best



Stacker Strategies that work well

- | | |
|--|---|
| <ul style="list-style-type: none"> • Subdivision / Reno / Construction • Reno / Strata • Seller JV / Reno / Subdivision / Strata / Construction??? • Option / DA (Resi & Commercial) | <p>Expected Profit</p> <ul style="list-style-type: none"> • \$70k - \$80k per block + Reno Uplift should equal at least double dollars spent + 20 – 25% on construction • Double Dollars spent + ~5 – 10% per unit • As above plus ~extra 6% • As above plus ~extra 6% • As above plus ~extra 6% • Sky is the limit • ~10 – 15% |
|--|---|



Manufactured Growth for Sale

- Start marketing property early

Inclusions 23 Excludes Strata, Mobiles

Travelling Forward Pty Ltd



Manufactured Growth for Re-Draw

- End product must be positive or neutrally geared
- If not positive or neutral – it better be an absolutely amazing growth and /or future development deal

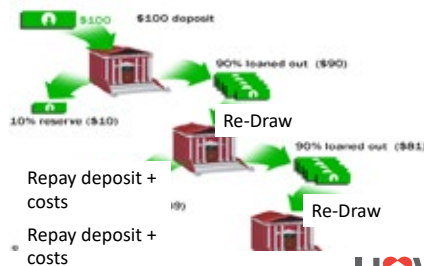


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Manufactured Growth for Re-Draw

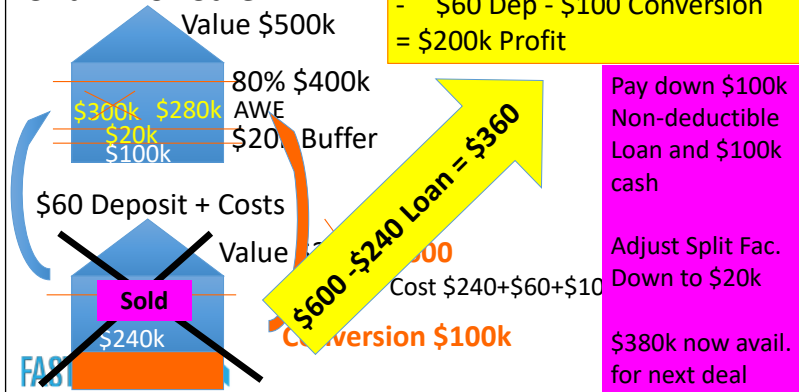
- Don't cross-securitise **UNLESS YOU HAVE TO!!!**
- Pay back re-drawn monies to where they originally came from and then re-draw as necessary for next deal.

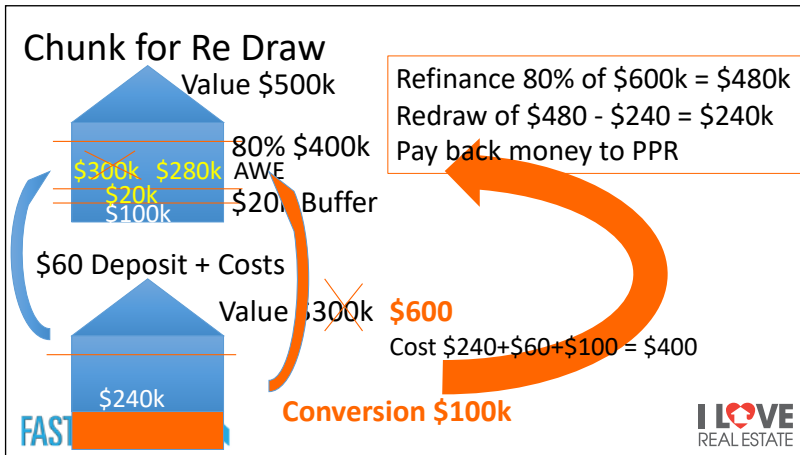


FASTPROFITS

I LOVE REAL ESTATE

Chunk for Sale





Feasos

INCOME FROM SALES		Net	W/GST	Bank
Property Sale	1	400,000	0	400,000
Stamp Duty	1	20,000	0	20,000
Agents Fees	1	16,500	0	16,500
Total		436,500		436,500
EXPENSES (EX GST)		Net	W/GST	Bank
Construction Costs	1	2,000,000	0	2,000,000
Professional Fees	1	100,000	0	100,000
Marketing	1	50,000	0	50,000
Legal	1	1,500	0	1,500
Stamp Duty	1	20,000	0	20,000
Renovation	1	51,000	0	51,000
Sub Total		2,123,500		2,123,500
Total Development Cost		2,560,000		2,560,000
Net Income		180,500		180,500
Profit from Development		164,000		164,000

FASTPROFITS

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Cost it Do a quicky feaso

Item	\$
Purchase	565,000
Legals	1,500
Stamp Duty @3.5%	20,000
Renovation	51,000
SUB TOTAL	\$646,500
Holding costs @ 8% for 6 months	25,460
Agents Fees @ 2.2% on Sale of \$750K	16,500
Contingency	10,000
TOTAL	\$689,460
Comparable sales range \$730-770k	
PROFIT \$750 – 689k = \$61k	

Budget Vs Actuals

	BUDGET	BUDGET	ACTUALS	ACTUALS	DIFFERENCE	DIFFERENCE
Purchase Price	\$751,000.00	\$751,000.00	\$751,000.00	\$751,000.00	\$0.00	0.00
Bank Costs on acquisition						
Bank legal/contracts	\$1,000.00		\$1,100.00		\$100.00	
Bank valuation fee	\$600.00		\$0.00		\$600.00	
Mortgage stamp duty	\$0.00		\$0.00		\$0.00	
LH regis fee	\$0.00		\$0.00		\$0.00	
Bank fees and fees	\$200.00		\$388.70		\$188.70	
sprinters fee	\$5,000.00		\$5,000.00		\$0.00	
JV fee	\$770.00		\$770.00		\$0.00	
Stamp duty on land LH	\$26,285.00		\$26,800.00		\$515.00	
Conveyancing fees	\$1,500.00		\$1,250.00		\$250.00	
TOTAL ACQUISITION COSTS		\$38,355.00		\$38,298.70		\$56.30
BUILDING PERMITS / PROFESSIONAL COSTS for new build		\$30,750.00		\$16,031.20		\$14,718.80
RCU Council	\$12,000.00		\$12,187.00		\$187.00	
Council plumbing application	\$805.00		\$805.00		\$0.00	
Roadworks	\$12,000.00		\$0.00		\$12,000.00	
Leakie sewer	\$250.00		\$244.00		\$6.00	
Building designer	\$1,100.00		\$1,100.00		\$0.00	
Soil testing	\$900.00		\$0.00		\$900.00	
Surveyor	\$1,850.00		\$1,850.00		\$0.00	
Engineering report	\$45.00		\$45.00		\$0.00	
RENOVATION COSTS ON EXISTING HIGHSET		\$660.00		\$660.00		\$0.00
Building designer	\$660.00		\$660.00		\$0.00	
Private Certifier	\$1,965.00		\$1,965.00		\$0.00	
Carpets and tiles	\$2,000.00		\$999.00		\$1,001.00	
Doors and hardware	\$1,404.96		\$1,380.82		\$24.14	
Cupboards	\$2,339.97		\$2,851.92		\$511.95	
General hardware	\$3,000.00		\$1,374.72		\$1,625.28	
Plint	\$2,000.00		\$1,667.22		\$332.78	
Plumbing materials	\$1,700.00		\$2,253.25		\$553.25	
Arch/Trusses	\$748.64		\$747.65		\$0.99	
Kitchen	\$400.00		\$496.00		\$96.00	
Timber	\$2,519.93		\$3,429.99		\$910.06	
Electrical	\$3,000.00		\$184.20		\$2,815.80	

Consider using an app...

- Set a budget
- Record accepted quotes
- Track payments to trades
- Compare budget with actuals
- Visual representation of progress

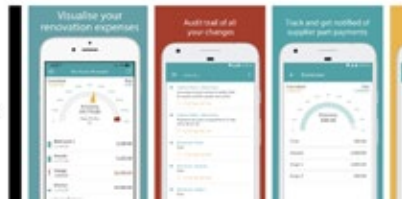


Budget My Reno - home renovation expense tracker

Money Machines Finance

This app is compatible with all of your devices.

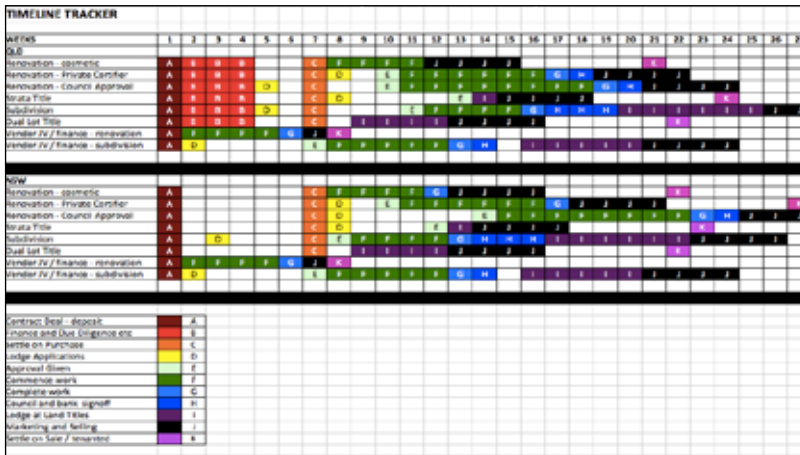
Add to wishlist



Project Timelines

PROJECT TIMELINE AND CASH FLOW

Project Timeline and Cash Flow			Month						Totals
Project Start Date:	Start Month	Duration (mths)	Oct	Nov	Dec	Jan	Feb	Mar	
Settlement period on Purchase									
Demolition of Existing Structures									
Subdivision of vacant lots									
Marketing and Sale - Vacant lots									
Settlement period on Sale of lots									
Renovation of existing Structures									
Marketing and Sale - Existing									
Settlement period on Sale - New									
Open Planning Strata/Subdivision									
Renovation of existing units									
Marketing and Sale - New Unit									
Settlement period on Sale									
Open Planning Application									
Construction of New Projects									
Marketing and Sale - New Units									
Settlement period on Sale - New									



Use Excel or a Gantt Chart software program



Hold Property – Taree NSW



Dual living property – 6 brm, 2 kitchen, 2 bath
3 month renovation



Hold Property – Taree NSW

Purchase Price	\$230,000 (Valued \$245k)
Stamp Duty	\$6,560
Legals	\$2,000
Renovation	\$15,000
Total Costs	\$253,560

Income Per Year (\$590 p/w) \$30,680
Yearly Return 12.1%

***Updated rental income (\$625 p/w) \$32,500**



Hold Property – Taree NSW



- Property re-valued = increased by \$105,000
- Rental value increase = \$120 p/w
- Positive cash flow
- All his money back plus more!



Sensitivity Analysis

Always know your break even point

Always have an exit strategy planned, a plan B

Sometimes you need a Plan C (or D,E,F)



Sensitivity Analysis

Plan A – Should include the budget and best and worse case scenarios

Plan B - Should include different scenarios including interest rate rises, market plateau and no buyer interest.

Plan C- Start with a modest profit. Market movements and recent sales allow an increase to Budget and increased profit.



FASTPROFITS Discount Buying – You make your money in the purchase

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Buying

- Money is made in the buying of a property not in the sell.
- Set up the alerts in the suburbs that are in your price point.
- Talk to Agents and let them know that you're an investor.
- Visit open houses- preferably on auction day
- Call agents and get some 3rd level questions into the conversation
- Make the Agent WORK FOR YOU not Vendor



Creating alerts on Domain

- Go to www.domain.com.au
- Go to My Domain
- Register email and password



Creating alerts on Realestate.com.au

- Go to www.realestate.com.au
- Go to myrealestate tab
- Register username and email
- A password will be sent to your email account



Creating other alerts

- www.Mitula.com.au
- www.australia.trovit.com



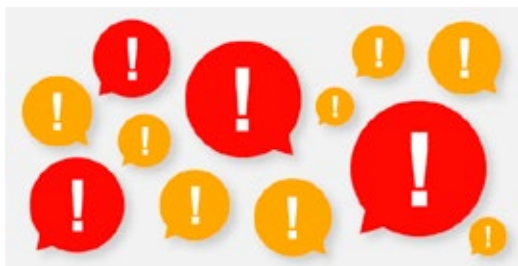
What is a distressed property scenario?

Any property where the circumstances mean that there is pressure on the owner to sell:

- Under market value
- Within a short time frame (urgency)



Set alerts for key words – you are basically looking for a distressed seller



Target Keyword Searches



Types of distressed property

Property circumstances:

- Part way through a build
- Part way through a renovation
- Damaged:
 - Run down
 - Fire damage
 - Storm damage
 - Tree down across house
 - Car accident

Personal circumstances:

- Divorce
- Rates Arrears
- Mortgagee in Possession
- Deceased estate
- Inheritance disputes
- Creditor issues
- Sheriff's notice
- Bankruptcy / Liquidation
- Proceeds of Crime auctions



Divorce

Divorce Forces Immediate Sale!



\$345,000

Wynnum, Queensland - For Sale - House - 4 bedrooms - 2 bathrooms

With instructions clear from both parties this neat as pin home is in need of its new owners yesterday!

Whether you're a savvy investor looking to snap it...

2 weeks ago in Domain

Divorce Forces Sale



\$475,000

Queensland - For Sale - House - 4 bedrooms - 2 bathrooms

When size matters, this spacious home is in a gated complex and needs to be sold. A title fix is needed and the location is ideal, easy walk to liberator park...

2 weeks + 8 days ago in Domain

Immediate Sale Required! All Offers Will Be Considered!



Offers over \$265,000

South Toowoomba, Queensland - For Sale - Apartment - 2 bedrooms - 1 bathroom

Due to a change in circumstances (divorce) the current owners / investors are offering this quality unit with clear instruction that it must be sold now. Perfectly...

2 weeks + 6 days ago in Domain



Mortgagee Sale

Mortgagee Auction With Plans & Permits For 3 Townhouses



\$1,500,000 - \$1,650,000

Brighton East, Victoria - For Sale - Vacant Land

This magnificent corner north facing allotment of 159sqm (approximate the dimensional presents an extremely rare opportunity for land buyers & developers...

1 day + 14 hours ago in Domain Sale

Mortgagee In Possession - Superb Single Living



Mortgagee Auction 21st October at 12pm 2017

Point Cook, Victoria - For Sale - House - 3 bedrooms - 2 bathrooms

We are under instructions from the mortgagee. A perfect first home find, the attractive residence offers house-free living at its best. An intelligently presented home...

1 day + 14 hours ago in Domain Sale

2,289sqm Office/warehouse On Over 1.4ha Land



Request Details

Port Adelaide (S), South Australia - For Sale - Warehouse

For the mortgagee in possession for sale by offers to purchase closing Friday 13th October...

24 Sep. 2017 in Commercial Real Estate

Iconic Early 1900's Theatre With 10 Titles



Offers Over \$150,000 All 10 Blocks

Hivesville, Queensland - For Sale - Vacant Land

To you, and what could you do with a package like this? Mortgagee is ascending...

1 day + 14 hours ago in Domain



Fire Damaged Sale Realistic Vendors It Will Be Sold

For Sale By Negotiation
 Orange, New South Wales - For Sale - House - 3 bedrooms - 1 bathroom
 This clad home has been damaged by fire, so it is in need of works. Its ideal for the builder, handyman, tradie, the home owner or the investor, who can see past the damage...




20 Sep. 2017 in Domain Sale
Must Be Sold!

\$330,000
 Warbro, Western Australia - For Sale - House - 729 m² - 4 bedrooms - 2 bathrooms
 Fire damage, however the damage to the main building is mostly cosmetic. This...

2 weeks + 5 days ago in Homely - Professionals Rockingham

Struck Gold By Auction 4/11/17 11.30 Am On Site
By Auction 4/11/17 11.30 am On-site
 Goodwood, Tasmania - For Sale - House - 3 bedrooms - 1 bathroom
 One. The roof is in excellent condition, and there is smoke and fire damage...

1 day + 15 hours ago in Domain Sale

Tamworth - \$46,000



- Reno - \$30,000 (3.5 weeks)
- Cost \$80,000
- Val post Reno – \$140,000
- All costs back plus \$32,000
- Rent - \$180/wk
- Passive \$3,000





Kurri Kurri - \$145,000





- Reno - \$55,000 (3.5 weeks)
- Val post Reno – \$260,000
- Total Cost \$208k
- Full Redraw \$208k
- Rent - \$340/wk
- \$2,000 Passive






Feasibility	
Purchase	\$16,500
Purchase costs	\$ 2,500
Renovation	\$55,000
TOTAL COSTS	\$74,000
REVALUATION	\$180,000
Rent per week	\$180
EQUITY REDRAW	\$74K back + \$66K
CASHFLOW	\$2,300

FASTPROFITS  **I LOVE REAL ESTATE** 

Fire Damage in Tasmania



Feasibility	
Purchase	\$ 75,000
Purchase Costs	\$ 5,000
Renovation	\$ 40,000
TOTAL COSTS	\$120,000
REVALUATION	\$160,000
Rent per week	\$ 200
EQUITY REDRAW	\$120k back + \$8k
CASHFLOW	\$ 150

FASTPROFITS  **I LOVE REAL ESTATE** 

11 Tiller Court, Currumbin Waters Qld 4223

Request Details
Currumbin, Western Australia - For Sale - House - 4 bedrooms - 2 bathrooms
And pest inspection has shown - termite damage to a number of areas in the home - a full termite treatment and barrier has just been installed - certificate and report...

18 Dec. 2016 in **squiz**

New Beginnings

Request Details
For Sale - House - 4 bedrooms
Has termite damage and is now reluctantly offered for sale. The 799m2 parcel...


7 Jul. 2017 in **Realestateview - Ray White Belconnen**

Opportunity In Blue Chip Location NEW

\$690,000-\$720,000

Leony, New South Wales - For Sale - House - 4 bedrooms - 3 bathrooms
Position Leony has to offer - With some previous termite activity and subsequent damage to parts of the home this property will suit the serious renovator, builder...

1 day + 15 hours ago in **Domst Sale**



Termite Damage

The image rld3 was nc The image part with relationship ID rld3 was

4 bedroom, Termite damage in NSW



Feasibility	
Purchase	\$210,000
Purchase costs	\$ 10,000
Renovation	\$ 60,000
TOTAL COSTS	\$280,000
REVALUATION	\$360,000
Weekly Rent	\$500
EQUITY REDRAW	\$280k back + \$8k
CASHFLOW	\$3500

FASTPROFITS

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Flood Damaged – Flood Affected



Flood Damaged Property Awaiting Renovation!

Expressions of Interest

Murrumbidgee, New South Wales - For Sale - House - 3 bedrooms - 2 bathrooms
By the extraordinary flood event in March 2017, current owners will take realistic offers based on flood damage caused to property - on the positive side, this is a solid home with cement...

1 week + 3 days ago in Domain Sale

Finders Keepers



\$135,000

Leichhardt, Queensland - For Sale - Vacant Land
Flood affected nor is it deemed to be rising influenced. At a glance - 50% incl...

2 weeks + 6 days ago in Domain

Perfect First Home Or Investment



\$265,000

Gales, Queensland - For Sale - House - 3 bedrooms - 1 bathroom
The land was flood affected in 2011 but did not go inside the house great value @ \$265,000...

2 weeks + 6 days ago in Domain

FASTPROFIT

I LOVE REAL ESTATE

Kingston \$1,700,000

LOCATION - LOCATION - LOCATION - LOGAN MOTORWAY

Address: Not supplied
(View Kingston on Google Maps & Street View)

Type here: LOCATION - LOCATION - LOCATION - One of a kind! Rare opportunity to buy a huge 575sqm of hard stand property on two sites. Zoned General Industry includes 300 sq mtr shed which contains two separate offices and reception area with mezzanine floor over offices. Offices have brick facade to front road. Male & Female toilets. 3 phase power. 2 high roller doors (can access prime movers).

- Totally secure inside and out.
- Fully fenced with in and out gates.
- Ample parking.
- Central to ALL locations.

Site suitable for developer, owner operator business requiring large hard stand area or investor. (Previously leased for \$130,000pa plus all outgoings). Also has lease plans for future buildings.

This is Prime real estate with excellent uninterrupted view from Logan Motorway. Advertising priceless. Central to all locations motorways and freeways. Entry to Logan Motorway 500 mtrs on & off. High and DRY FLOOD FREE area. Logan Council welcomes businesses to the area and will assist wherever possible.

Owner now wishes to sell due to **Health**. Expressions of interest welcomed. All reasonable offers considered. Contact owner today.



(noagentproperty.com.au)

[Get finance for this property >>](#)



ILL Health

FASTPROFITS

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Old and Tired wanting to Retire



Nsw Mid North Coast Freehold Caravan Park 16.33% RoI 1p3623cp



\$2,195,000

Boambee, New South Wales - For Sale - Holiday home
From new owners - present owners are tired/wish to retire. - would work as a passive...

7 May 2017 in Commercial Real Estate

Worst House Best Street Come Make Me Beautiful



Offers over \$619,000

Albany Creek, Queensland - For Sale - House - 5 bedrooms - 2 bathrooms
Creek perched high looking over the park. But it's a little bit old, a little bit tired, and has a few battle scars that need repair. The home itself is fantastic...

2 weeks + 6 days ago in Domain

Concentrate on 3 Strategies in 3 Locations



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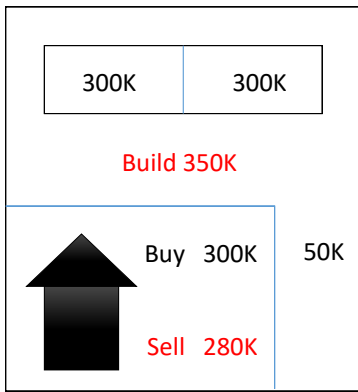
3 Areas – 3 Strategies

	Area X	Area Y	Area Z
Property A	Strategy 1	Strategy 1	Strategy 1
Property B	Strategy 2	Strategy 2	Strategy 2
Property C	Strategy 3	Strategy 3	Strategy 3
Property D	Strategy 1,2	Strategy 1,2	Strategy 1,2
Property E	Strategy 1,3	Strategy 1,3	Strategy 1,3
Property F	Strategy 2,3	Strategy 2,3	Strategy 2,3
Property G	Strategy 1,2,3	Strategy 1,2,3	Strategy 1,2,3
	= 7	= 7	= 7
21 Different Choices			

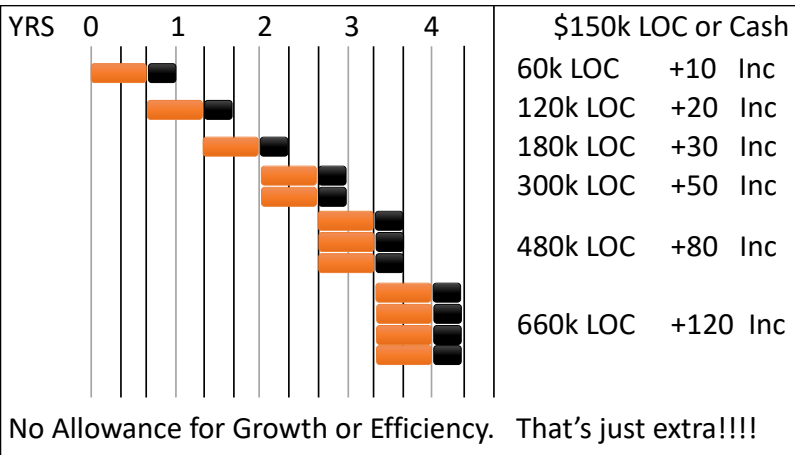
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SET AND FORGETS



Buy	\$300k
Subdivide	\$ 50k
Total	\$350k
<u>Sell House</u>	<u>\$280k</u>
Cost of Block	\$70k
Build	\$350K
TOTAL	\$420K
80% on \$600k	
Redraw \$480k	



The more Strategies you can add to the one deal the more Money you will make!

AND

The quicker it will happen!





2. Strata Titling – Quick, Easy, Cheap & Profitable



Key issues (cont)



- Services
 - Gas, electricity, water, phone need to be separately metered
- Access/Parking
 - May be an issue – check with Council
- Grandfathering (beware)
 - Alterations to old, non- BCA compliant building, may need to bring up to standard; stair treads, access, balustrade heights, safety glass



Key issues (cont')

- Relatively easy and quick
- Relatively inexpensive
- Can be done remotely
- Cash flow neutral/positive (easier to finance)
- Multiple strategies in one deal eg. Reno / Strata / Partial sell
- No GST (if you don't create a new property)
- Sell down or borrow against for next deal
- Set & forget



The Team

- Town planner
 - Can it be done, council attitude, parking
- Building inspector
 - Fire rating, building regulations
- Mortgage strategist
 - You're tinkering with the bank's security
- Lawyer – body corporate specialist
 - Constitution for body corporate
- Surveyor - Drawing up strata plans
- Selling agent



The Process

- Research & Due diligence
- Purchase property
- Renovate/fire/services as required
- Surveyor; building format plan
- Application to council
- Sign off by bank
- Lodge at lands titles office
- Inaugural body corporate meeting



Sample Deal



Woolloongabba Qld 4102

- 4 x 2-bed
- Renovated
- Asking \$1.05m
- Rental \$330 pw x4
- Separate services



Deal - Comparables

5/49 Qualtrough Street, Woolloongabba, Qld 4102 **Harcourts** 125 years

\$375,000
Sold Mon 19-Jan-15

Unit **Pr** 2 **Gr** 1 **Br** 1

Inner City Living without the Price Tag!
This top floor two bedroom apartment is for those who like a touch of heritage with a quirky taste thrown in. With fantastic city...

Floorplan Save Details

6/25 Reis Street, Woolloongabba, Qld 4102 **Ray White.**

\$360,000
Sold Mon 24-Mar-14

Unit **Pr** 2 **Gr** 1 **Br** 1

Two bedroom unit only 2 kms from the city!
If you are looking for convenience, proximity and access to everything the inner city of Brisbane has to offer, you can't go past...

Floorplan Video Save Details



Deal - Comparables

4/18 Wilton Street, Woolloongabba, Qld 4102
 Recently Listed
 Sold Sat 22-Nov-14
\$330,000
 Unit No: 2 No: 1 No: 1
 Suit Young Couple Or Investor
 "Mortgage Auditor" Positioned in a quiet side street off Leitch Road and within walking distance to shops, schools and the...
 Agent: Bill Britton

5/22 Redfern Street, Woolloongabba, Qld.
 metrocity
 Sold Tue 09-Sep-14
\$290,000
 Unit No: 2 No: 1 No: 2
 Sold by Ben Jackson - Metrocity Realty
 Be the first to see this fully refurbished 2 bedroom apartment in a small quiet complex close to transport, shops, the city...
 Agent: Ben Jackson

5/22 Redfern Street, Woolloongabba, Qld 4102
 metrocity
 Sold Tue 14-Oct-14
\$330,000
 Unit No: 2 No: 1 No: 2
 Sold by Ben Jackson - Metrocity Realty
 Be the first to see this lovely unit in a beautifully refurbished complex close to all the action in Woolloongabba. The...
 Agent: Ben Jackson

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The Numbers	
Acquisition	\$ 1,050,000
+ costs (6%)	\$ 63,000
Refurbishment, services	\$ 7,500
Fees & charges	\$ 10,000
Cost of strategy	\$ 1,130,500
Interest & holding costs	\$ 55,000
less rental	(\$ 31,000)
Total Cost	\$ 1,154,000
Sales – 4 @ \$340,000	\$ 1,360,000
less costs	(\$ 37,500)
Net Proceeds	\$ 1,322,500
FASTPROFITS Profit	\$ 168,500

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Numbers		Equity
Acquisition	\$1,050,000	\$210,000 (80%)
+ costs (6%)	\$63,000	\$63,000
Refurbishment, services	\$7,500	\$7,500
Fees & charges	\$10,000	\$10,000
Cost of strategy	\$1,130,500	\$290,500
Interest & holding costs	\$55,000	\$55,000
less rental	(\$31,000)	(\$31,000)
Total Cost	\$1,154,000	\$314,500
Sales – 4 @ \$340,000	\$1,360,000	
less costs	(\$37,500)	
Net Proceeds	\$1,322,500	
FASTPROFITS Profit	\$168,500	

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Keep One	Total Cost	\$1,154,000	Equity	\$314,500
	Sales – 3 @ \$340,000	\$1,020,000		
	less costs	(\$28,000)		
	Net Proceeds	\$992,000		
	Retire debt	(\$840,000)		
	Cash in pocket	\$152,000		
	Effective entry cost	\$162,500	Est. Cash Flow \$3,500	
	Rent pw	\$330		
	Value	\$340,000		



Considerations

- Do the comparables first
 - Look into the reasoning why sales are available or not available. Don't make assumptions
- Get to know the area – become an area expert
- Attitude of the "Experts"
 - Not all experts are the experts
- Good deals go fast



Questions for planners/council

- 1.What's involved in the strata title process?
- 2.What common property is required and is there a minimum shared space requirement?
- 3.Are there any specific local planning laws for strata in this council?
- 4.What problems might see this get rejected?
- 5.What are the costs involved
- 6.What is the timeframe for planning and DA approval?
- 7.Will the property have to be brought up to current building code

QUESTIONS For council / private town planner

- **Firewalls**- What fire separation will be required
- **Access** – ask if any concerns re access. Regional is normally not a problem – metro could have issues
- **Parking** – ask if any concerns re parking. Again regional is normally not a problem – metro could have issues
- **Council attitudes** - Look for existing properties that have been strata'ed and currently for sale or recently strata'ed



QUESTIONS For council / private town planner

- **Sepp 10** – NSW specific - Retention of low cost rental accommodation - need to ask re low cost housing.
- **Time lines for each stage** - to ascertain holding costs
- **Heritage concerns or other** – If so –then what does that mean and are there any grants available
- **Costs** – What are the likely costs for both applications and consultants



Questions/Research

- **Local Council:** Size of the block and current zoning – how much land do we need for each proposed dwelling.
- **Design Guidelines** – setbacks and other Council specific considerations that will determine the type of build. Eg. Environmental Design compliance requirements.
- **Pre-development requirements** - eg Geo-tech Survey
- **Status and capability of existing infrastructure** eg will the existing sewer and water mains cope – will the council impose upgrade requirements?



Questions/Research

- **Public contribution costs** - eg Public Open Space Contribution Fee if any.
- **Council Fees** on applications and approvals.
- Expected timeframe for Council approval.
- What does the Council want the suburb to look like?



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Terminology - common terminology showing state variations taken from the Strata Community website

	SA	VIC	NT	WA	QLD	NSW	TAS	ACT
Owners Corporation	Strata Corporation	Owners Corporation	Corporation	Strata Company	Body Corporate	Owners Corporation	Body Corporate (named Strata Corporation)	Owners Corporation
By-Laws	Articles	Rules	Articles	By-Laws	By-Laws	By-Laws	By-Laws	Articles
Strata Manager	Agent	Owners Corporation Manager	Manager	Manager	Body Corporate Manager	Strata Managing Agent	Manager	Manager
Owner	Unit holder	Owner	Owner	Proprietor	Owner	Owner	Owner	Unit Owner
Proxy	Proxy	Proxy	Proxy	Proxy	Proxy	Proxy	Proxy	Proxy
Developer	Original Proprietor	Initial Owner	Original Proprietor	Original Proprietor	Original Owner	Original Owner	Original Proprietor	Developer
Committee	Managing Committee	Committee	Committee	Council	Committee	Executive Committee	Committee of Management	Executive Committee

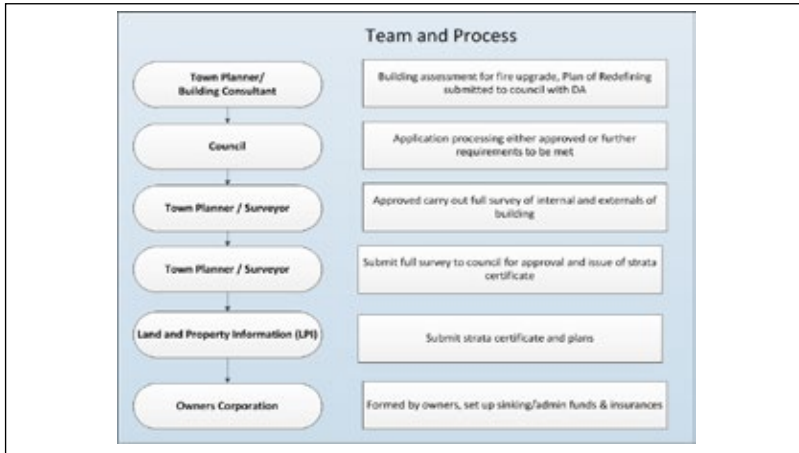
Terminology

- **Owners Corporation** An owners corporation is the legal entity that combines all the lot owners in a strata scheme.

Owners corporations are automatically created when a plan of subdivision contains common property. They are responsible for the insurance, administer finance, management and upkeep of common property ie driveways, paths, foyers, stairs etc and dispute resolution

- **Strata managers** are professionals who are responsible for the administration of the owners corporation
- **Committee** -the administration of an owners corporation may be undertaken on behalf of all the lot owners by a committee. This may consist of a small group of owners who are elected at the Annual General Meeting of owners.

A committee must ensure state strata law and its own by-laws are adhered to. It also has the ability to change existing by-laws and make new ones, and is charged with making decisions on all matters which confront the owners corporation



Current Example of a Sydney Strata

Purchase Price	\$1,000,000
Reno & Strata Cost	\$150,000
Projected Valuation (4 units)	\$1,400,000
Projected Profit	\$250,000

- Unit renovation and strata title
- Currently rents \$1,200 /week



How To Profit From The Coming Real Estate Boom And Rebound... TODAY!



Current Example of Industrial Strata - James and Nicole

Property Description:

- 1010m2 NLA across 2 sheds
- Zoned Low Impact Industry
- 9,879m2 Land area
- Two titles

PLATINUM ACCELERATOR





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Purchase Feasibility:	
Contract Price (ex GST)	\$650,000
Bank Valuation (at Contract)	\$750,000
LVR of Contract Value	70.00%
Loan Amount	\$455,000
Equity (out of pocket Cash)	\$195,000
Purchase Costs approx.	\$39,000
Total Out of Pocket Expenses	\$234,000
As Purchased Net Income (Pre Int)	\$75,400
As Purchased yield (Pre Interest)	11.6%
Interest Rate	6.79%
Interest P/A	\$30,895
Net Income P/A	\$43,605
Income ROI of Equity %	22.36%
Income Cash on Cash ROI %	18.63%

Strategy Figures (budget):



Stage 1 – Cosmetic Reno / Strata Title	
Cosmetic Renovation / cladding works	\$40,000
Strata title / body corp. establishment costs	\$10,000
Total Stage 1 Costs	\$50,000
Post Stage 1 Income @ \$90/m2 Net (Before Interest)	\$90,900
Interest	\$30,895
Post Stage 1 Net Income p.a.	\$60,005
Post Stage 1 ROI of Equity %	30.77%
Post Stage 1 Cash on Cash ROI %	21.13%



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Retail Strat Example
Robyn – Platinum Student

Criteria to Purchase:

- Commercial
- With net income
- With upside
- Multi-tenanted
- With tenants operational during COVID
- AND paying their rent during COVID

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CHUNK DEAL FEASO – Reno + Strata Title

Item	\$
Purchase Price	930,000
Purchase Costs Including Buyers Agent	79,000
Hold Costs PA Outgoings not recoverable	53,500
Strategy Costs	76,200
Sale Costs	40,000
GST (going concern – NIL)	0
Sale Price Estimated \$175,000 x 8	1,400,000
Capital Profit Forecast	274,800



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CASH FLOW DEAL FEASO

Item	\$
Purchase Price	930,000
Re-Valuation (Refurb & Full Tenancy)	1,264,000
Rent (Includes re-let of 1 vacancy)	131,000
Property Management	5,500
Insurance	18,000
Interest	53,500
Rates / Water	21,000
Total Hold Costs	75,500
Annual Net Cashflow	55,500



Going to need new signage and lighting



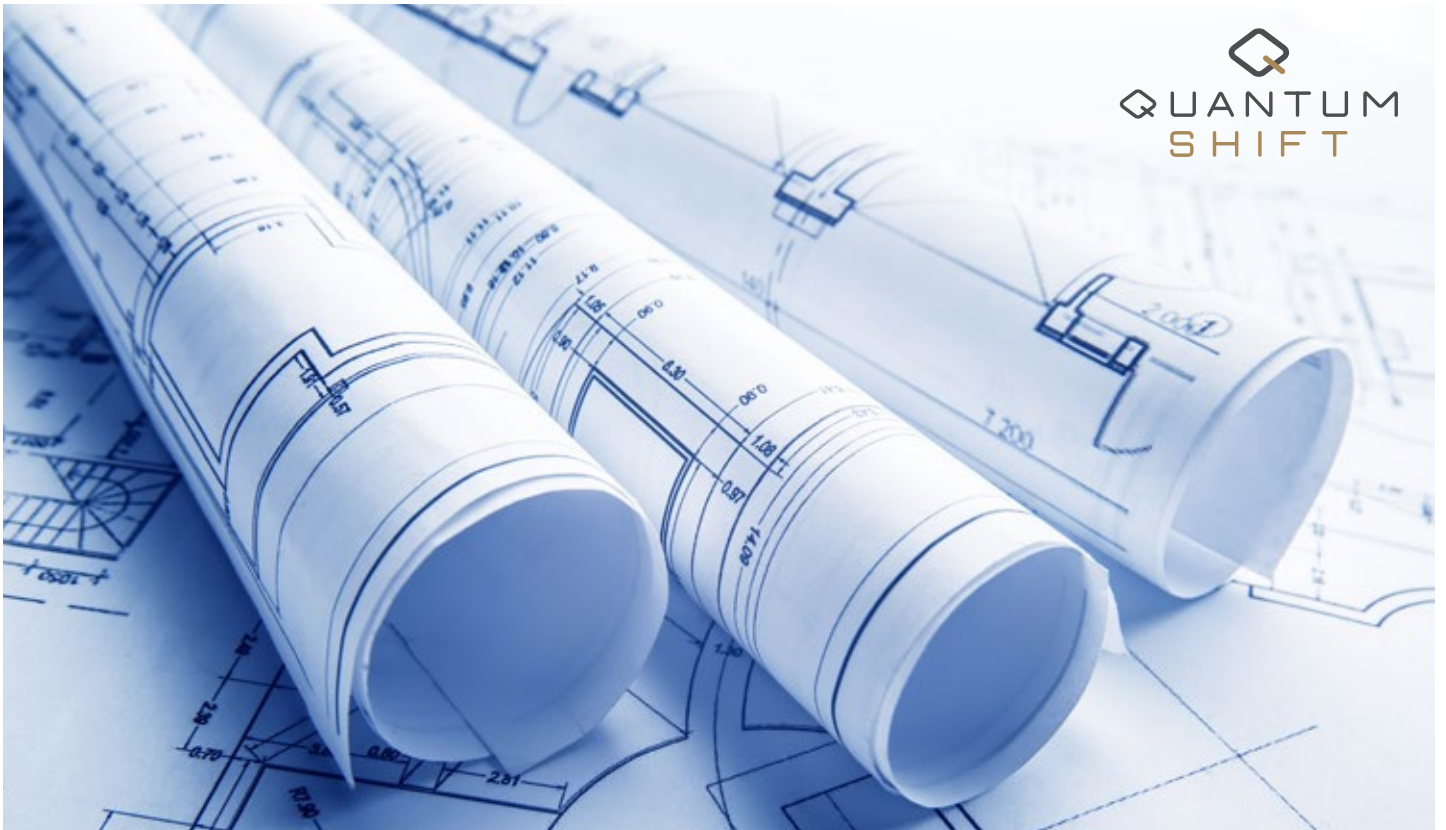
What are the financing aspects to consider?

- Financing a block of Units
 - Residential
 - Commercial
- The refinancing process of Strata'ing
- General Uplift factor
- Market appetite at the moment
- Other consideration




Could be done as an Option!
Works in Residential and Commercial!






3. Options Unplugged





FASTPROFITS Options Unpacked




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Options

We will cover

- What is an Option
- Types of options
- Why use an option?
- Common terms in an option
- How to exercise an option
- Transfer or On sale of an option



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Options

DEFINITION
The buyer has a *right, but not the obligation* to buy something from the seller at a certain time in the future for a certain price.

TYPES

- Call Option
- Put Option



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Options

CONTRACT vs OPTION

- Contract - obligation to buy a property
- Option – right to buy, but no obligation



Options - Strategy

Why use an option?

- You want to flip/on-sell to a third party for an uplift
- You want to secure a site, but don't want to pay for or own it yet
- Secure multiple lots – Clumping
- Delaying a purchase to a new financial year - tax
- You don't have your buying entity ready yet



Case Study – Find a Site



14 townhouses + original house



- 4,250m2 site
- Owner currently lives in house



Proposed Development



- 14 townhouses
- 1 original house



Feaso

- | | |
|---------------------------|--------|
| • Land | \$1M |
| • Civils and Construction | \$3.2M |
| • Sales | \$5.5M |
| • PROFIT | \$1.3M |



Plan of Attack

- Proposed Development
- Plan of attack
 - Find site
 - Enter Call Option - 12/18mths
 - Get DA/approval - 6mths
 - Get Presales during option - 5mths
 - Do development ourselves if feaso stacks or sell project to a builder/developer
 - Need bank funding for civils = need to own the land when civils start
 - 3-6mths for civil works
 - 1mth to get titles and complete the settlements
- Timing 12/18mths



Negotiation of Option

- Negotiating an option is an art form – get **HELP** if you need it
- Understand the motivation
 - You
 - The agent vs off market
 - The seller
 - The lawyers/accountants
- Set a clear negotiation plan before starting discussions



Option - Terms & Conditions

Common terms in the option

- Parties – who do we want to hold the option?
- Time - Call Option Period/Call Option Expiry Date
- Call Option Fee
- Security Deposit
- Access
- Due Diligence Period
- Price
- GST



Option - Terms & Conditions

Common terms in the option

- Maintenance of property
- Insurance for property
- Security - Caveat
- Nominee Clause
- Ability to market lots for sale to TPs
- Price Uplift Clause - dealing with proceeds
- On Back – A contract is on back of the option

Options



What did they negotiate!!

- **Parties:** Special new trust
- **Time:** 18mth call option period
- **Call Option Fee:** \$1
- **Access:** Entire option term
- **Due Diligence Period:** 90 days
- **Security Deposit:** \$1k payable on DD date, permanently released to seller, but credited to purchase price
- **Price:**
 - Land worth \$1M
 - Price: \$380k plus when development completed the original house for \$1.00 & 1 townhouse for 10% off market price
- **Other:**
 - Right for seller to continue to live in original house if allowed
 - 5% discount if he wanted to purchase another townhouse



Current Status

What happened next

1. Currently 12mth into their option
2. They are organising their DA & well into getting the BA
3. Now looking to sell on the development to a developer/builder



Option – Decision Time

- 3 possible endings
 - Walk away
 - Proceed to exercise the option
 - Sell/Assign site to third party
- Impact on Seller?



Proceeding to Exercise Option

Process

- Follow the stepping stones very carefully
- Nominate new entity?
- Once you Exercise the Option
 - Unconditional contract
 - Stamp duty payable?
 - Settlement of the contract occurs in the usual way



Assigning an option

Two ways to Assign/Sell the option

- Nomination and Side Agreement
- Nomination, Exercise of the option and uplift



Assignment

When assigning an option make sure you cover:

- Consultants report
- Warranties
- Stamp duty and GST – BEWARE!!!



How we can help?

- **OPTIONS** are an incredible **TOOL**



- Give us a call early in the transaction



Questions

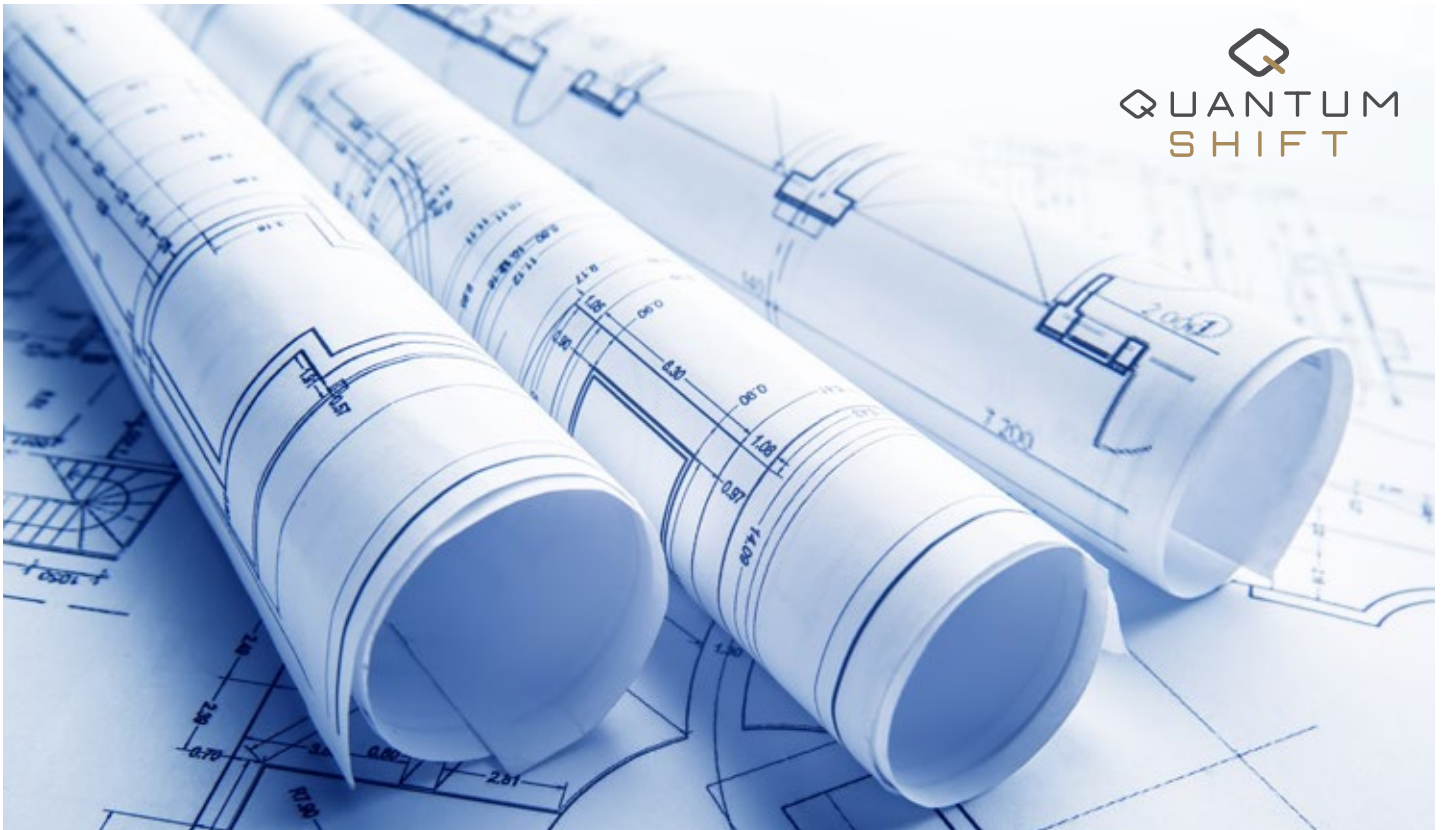
Calvin Kong (Director) and David Netherton (Director)

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www.pacificlaw.com.au

Offices Sydney Brisbane
 Melbourne Sunshine Coast





4. Taxation, GST, CGT and all the good stuff!








Taxation, GST, CGT and all the good stuff!!







KNOWLEDGE • EXPERIENCE • INTEGRITY
wisdom.com.au



Accounting & Taxation

Kamal Power B.Bus, FCA
Client Advisor, Chartered Accountant


Our team are specialists in Business/Property tax

We can help with:



- ✓ Accounting software setup & support
- ✓ Tax Returns & Financials
- ✓ Tax Advice – Income, CGT and GST
- ✓ Business advice
- ✓ BAS preparation
- ✓ Analyse property feasibilities

Case study – John & Kate



- Purchase a property in a trust for \$350,000
 - House \$100,000, Land \$250,000
- Purchased from a non-GST registered seller
- 1000sqm block with an old house
- Cosmetic reno, subdivide into 2 (500sqm each), sell existing and build new and hold for 10 years
- John's taxable income is \$185,000 and Kate is a housewife

Costs -

- Property \$350,000
- Stamp Duty \$11,000
- Settlement Agent Fees \$2,000
- Cosmetic Renovation \$20,000
- Subdivision costs \$50,000
- New build \$200,000

End Value on completion –

\$350,000 for existing and \$475,000 for new



Key Points to Consider



- In the business of real estate?
 - Income tax, GST, margin scheme
- Investor?
 - CGT
- Where will the profit be taxed



Cosmetic Reno/Sell	Calculation	Amount
Purchase \$350,000 (land \$250k, house \$100k)	\$100,000 + half of land = \$125,000	\$225,000
Stamp Duty \$11,000	\$11,000 x 225/350	\$7,071
Settlement Fees \$2,000	\$2,000 x 225/350	\$1,286
Renovation \$20,000	\$20,000	\$20,000
Subdivision \$50,000 (assumed all 50/50)	\$50,000/2	\$25,000
Total Costs		\$278,357
End Value		\$350,000
Profit		\$71,643



Selling when in the Business



- Intent was to sell 1
- Deal is not subject to GST
- End profit will be taxed in full at relevant rate



Selling when in the Business



- What if was a substantial renovation
- John & Kate can't claim GST on the purchase
- Claim GST on the renovation costs
- Sell under the **Margin Scheme**
 - Needs to be in writing
- End profit after GST will be taxed in full at relevant rate



Tax Rates for Individuals



Taxable Income	Tax Rate
0 – 18,200	Nil
18,201 – 45,000	19%
45,001- 120,000	32.5%
120,001 – 180,000	37%
180,001 +	45%

* Does not include Medicare Levy (2%) or Medicare Levy Surcharge (1 – 1.5%)



Income Tax Implications on Sale



- Profit of \$71,643 needs to be taxed
- John earns \$185,000 in wages – 45% ++
 - Kate – distribute \$45,000 so 19% tax
 - Remainder to bucket company, taxed at 26%



Tax Payable



	Kate	Bucket Company	Total
Taxable Income	\$45,000	\$26,643	\$71,643
Tax on Taxable Income (without Medicare, offsets etc)	\$5,092	\$6,927	\$12,019

If gave Kate all profit, tax would be **\$13,751**. If wanted to access funds for personal use or 1st year bucket company may consider this option

If distribution all went to John, or the property had been held only in John's name then the tax on the profit would have been **\$32,239.35** (taxed at 45% before Medicare etc)



Subdivide/Build/Keep	Calculation	Amount
Purchase \$350,000 (land \$250k, house \$100k)	half of land = \$125,000	\$125,000
Stamp Duty \$11,000	\$11,000 x 125/350	\$3,929
Settlement Fees \$2,000	\$2,000 x 125/350	\$714
Subdivision \$50,000 (assumed all 50/50)	\$50,000/2	\$25,000
Build		\$200,000
Total Costs		\$354,643
End Value		\$475,000

Sell after 10 years



- John and Kate sell for \$850,000
- Real estate agent commission is \$30,000
- Settlement agent fees are \$2,000



Net proceeds received is \$818,000

Therefore CG is \$818,000 - \$354,643 = \$463,357

Total taxable gain after 50% discount = \$231,678.50



Selling when an investor



- Intent was to keep 1
- GST not applicable as an investor and rented for more than 5 years
- CGT calculated based on contract date
- 50% CGT discount applies as more than 12 months – date used is original purchase date
- Remaining gain will be taxed in full in hands of beneficiary at relevant rate (10 years time) – consider CL



Tax Payable



	Kate	Bucket Company	Total
Taxable Income	\$45,000	\$186,678	\$231,678
Tax on Taxable Income (without Medicare, offsets etc)	\$5,092	\$56,003	\$61,095

Kate would be taxed at 19% and Bucket Company taxed at 30%

If distribution all went to John, or the property had been held only in John's name then the tax on the profit would have been **\$104,255.32**



Case Study 2 – Alan & Bob



- Alan is a homeowner, Bob a developer
- Bob wants to buy Alan's residential property from Alan
- Condition is subdivision of the back block will be obtained
- An option agreement is entered into for Bob to purchase for \$500,000



Case Study 2 – Alan & Bob (cont.)



- Option period is 1 year
- Option fee is \$10,000
- 6 months later Bob obtains subdivision
- Bob decides to realise profit now and sells his option to Carole for \$100,000



Tax Issues



- Bob does not pay stamp duty – he did not purchase the property
- Bob is running a business – profit intent, business like manner, knowledge, skills etc.



Tax Issues (cont.)

- Bob's profit on the option is the difference between the selling price and consideration paid for the option:

$$\$100,000 - \$10,000 = \$90,000$$
- **But** we need to consider if GST is applicable
- GST treatment of an option takes on the same character as the actual property

GST

- If the property sale would be subject to GST, then so is the option e.g. if new residential – GST applies
- If the property sale would not be subject to GST, then the option is not (even if above \$75k)
- In Bob's case the option fee and his profit would be subject to GST

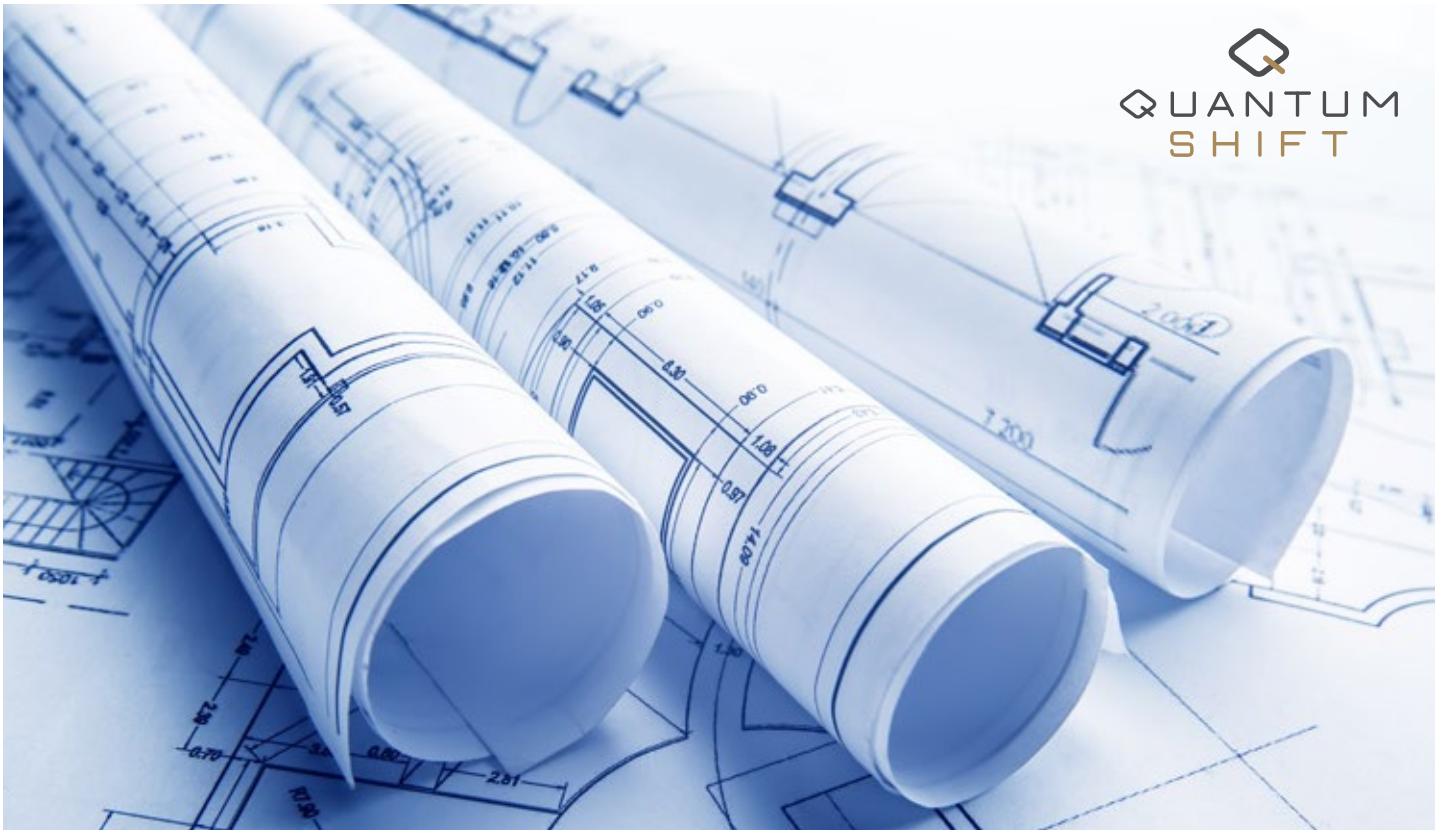


Summary

I just need the main ideas



1. Which structure
2. Types of taxes
3. Know your deal



5. What makes a good Seller?





What makes a good Seller?






Lee Sutherland

- Fully licensed real estate agent and Auctioneer for 10 years
- Bachelor of Business Accounting/Computing
- Multi award winner
- Was consistently in top 20 Remax Agents nationally
- Queensland A List – Top 1% agents
- Developed/renovated and sold several of my own properties
- Current Platinum Student






1. Is Educated

- *In the local market*
- *Media reports*
- *The process of selling*
- *Selling strategies*
- *Auction, price*
- *Selecting an agent*



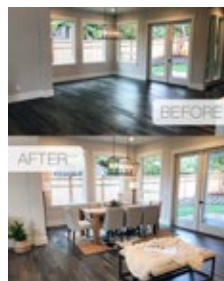
2. Listens to their Agent

- *Cooperative*
- *Willing to pivot*
- *Open minded*
- *Open Homes*
- *e.g. 97 Bells Reach Dr Caloundra West*



3. Stages the property

- *Declutter*
- *De personalize*
- *Look like a display home*
- *e.g. 15 Rosslyn Court Buderim*



4. Markets the property

- Professional photos
- Professional copy
- Professional floorplan
- Professional video
- Social Media Marketing
- Premiere listing on realestate.com.au
- Database
- Local area Flyers
- Photographic signboard
- Press advertising



5. Is Realistic

- **Price Your Property Accurately**
 - Comparable recent sales
 - Online valuations
- **Price and time**



Pick a Time or Pick a Price



VS



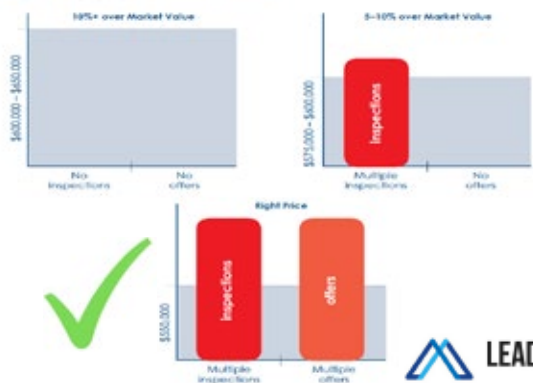
6. Listens to market feedback

- *Price feed back*
- *Presentation feedback*
- *General feedback*
- *Control what you can control*



Getting the price right

Example! For a property with \$550,000 Market Price



7. Responds promptly to offers

- *Within hours or overnight*
- *Be prepared for when an offer comes in*



8. Chooses the Best Agent

- **Discount agent v's Full service**
- *e.g. 284/6 Melody Crt Warana*
- **Proven track record**
- **Knows how to present**
- **Marketing animal**
- *e.g. 4 Yeramba Pl Buderim*
- *e.g. 13 Rosslyn Crt Buderim*



9. Co-operates with Tenants

- **Tenants have all the power**
- **Incentives**
 - *Vacant during inspections/open homes*
 - *Presentation*
 - *Leave before settlement*
- **Sell vacant**



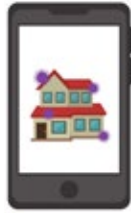
COVID 19

- **Effect on the market**
 - **Inspections**
 - *Limits on numbers*
 - *Social distancing*
 - *Face masks, hand sanitiser, gloves, wipes*
 - *Virtual inspections*
 - **Auctions**
 - *Buyers nervous*
 - *Sellers not listing*
- **What to expect coming out of COVID**
 - *Demand - Pentup*
 - *Supply*
- **What should your agent be doing**



AUCTIONS

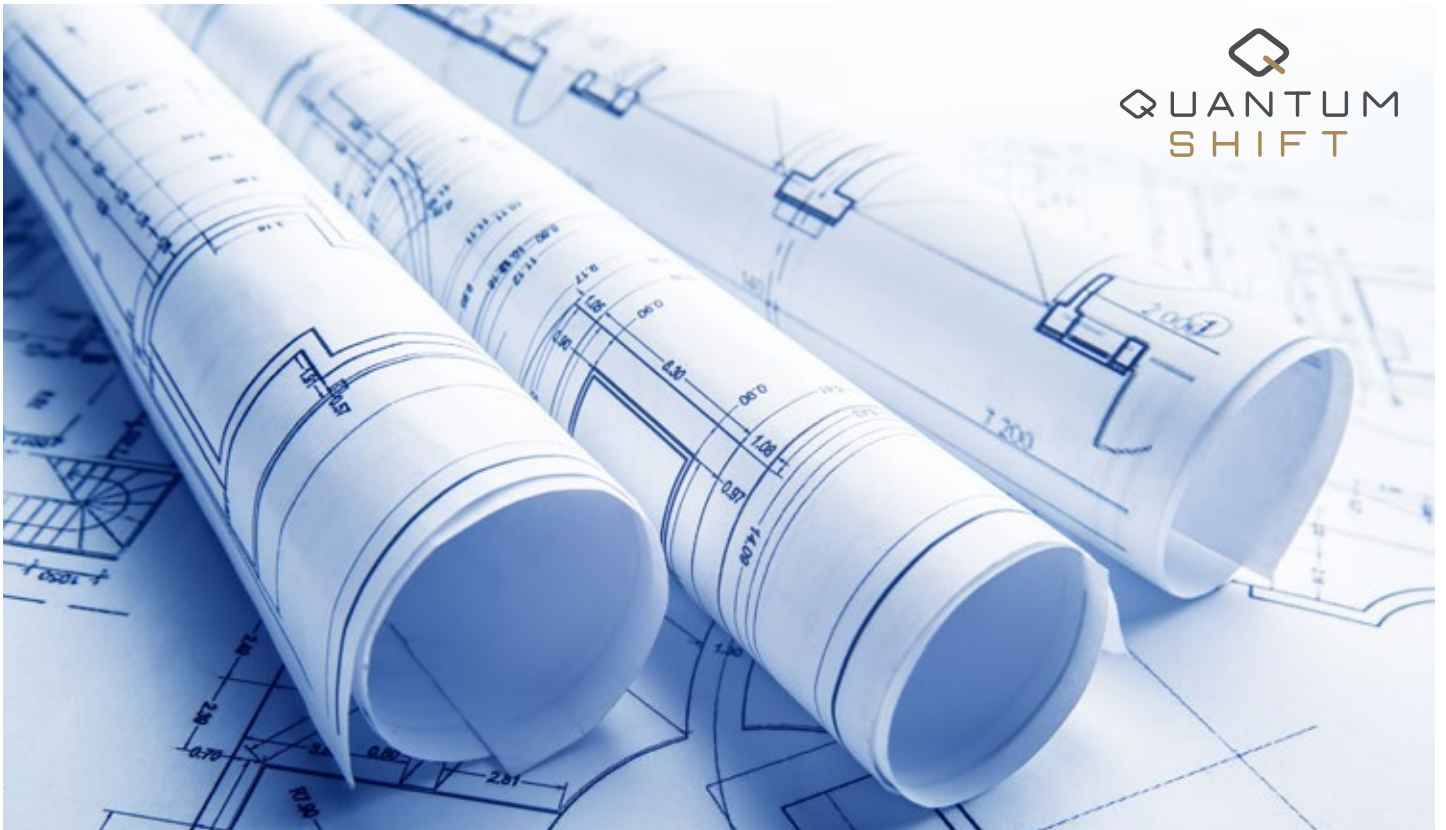
- *Should I auction?*
- *Clearance Rates*
- *Conducting during COVID*
- *Offers*
- *Before and After*



Thank You
Lee Sutherland
lee@leadingrealty.com.au
0417 077 847

Books link <https://bit.ly/3kiL7Xs>






6. Mastering cosmetic renovation with Az & Em



FASTPROFITS | Mastering Cosmetic Renovation
with AZ & EM



I LOVE REAL ESTATE



FLIPP'N
FAST
FUN

Our Story
Az and Em

FASTPROFITS

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Time is our Most Valuable Asset



Who wants to make more money?!



How about \$110,000 IN 6 MONTHS! ?

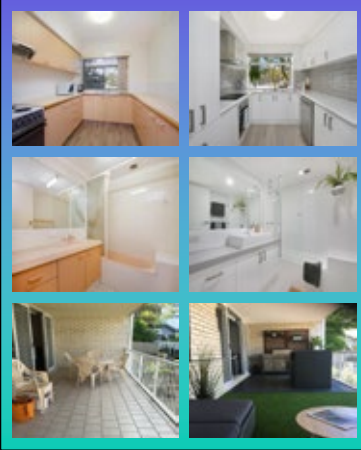
Purchased \$336K

Spent 30K on Reno

Stamp Duty \$3,360 (PPR)

Refinanced at \$480K

Profit Approx. \$110K



DEAL 2 - \$88,540 IN 6 WEEKS!

- Purchased \$330,000
- SOLD \$442,500
- Stamp Duty \$3,300
- Reno Costs \$15,000
- Agents Cost \$5,000
- Solicitor \$660
- Other associated costs \$10,000
- RENO PROFIT: \$88,540



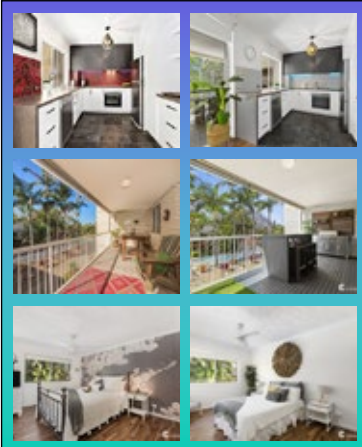
DEAL 3 \$100,000 IN 6 WEEKS! WITHOUT owning it!

- Option to Purchase \$400,000
- Immediate access under license agreement
- Rent back to vendor \$400 p/week
- Reno Costs \$40,000
- Hold Costs \$2,000
- Agents Fee \$8,000
- No Stamp Duty
- Sold Option 6 weeks later \$550,000



DEAL 4 - \$69,637 IN 5 WEEKS! ...and helping someone else!

- Agreed Start Value \$370,000.00
- Reno Cost \$60,000.00
- SOLD \$598,000.00
- Minus Selling Costs
- = \$139,075.00 (split 50/50)
- = \$69,537.50



DEAL 5 - \$25,830 IN 72 HRS!

Put & Call Option for \$430K

Reno Cost \$5K

Sold \$475K

Profit after selling costs & holding costs \$25,830

These are just SOME of the 19 deals we've done in the past few years!



I'm so excited.



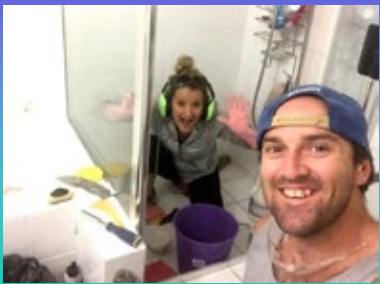
Who's excited about flipping??

Who wants to potentially make anywhere from \$30K to \$150K in 2-6 weeks flipping property?



**SO...YOU'RE PROBABLY
WONDERING BY NOW,
WHO ARE WE?**





**BUT, IT WASN'T
ALWAYS THIS WAY...**



Em wasn't always
a Real Estate
Investor...





Caviar to Olives

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From Sequins To Screwdrivers



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Knock Back After Knock Back

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Things were Dark



Knew I needed to get EDUCATED



**Bought for
\$1000
Down!**



Money Mindset was low back then

- If you can't imagine what it's like to have \$1000 then how can you imagine yourself with \$1MIL?!
- Didn't think it was possible for ...“Someone like me”
- Then I met Az and we started on our path of personal growth
- We'd both managed to find ways to enter the market but weren't getting ahead and still weren't free.
- We joined ILRE



AZZA – From Working Harder To Smarter



Left school at 16 to pursue my successful career as a motor mechanic!

Clearly that worked out well...



Waterskiing





Pints & Poms



Did the 'country thing'. Met a Girl,
Got married, built a house only to
discover Country life was not for
me



Moved to Sunny QLD!
Bought the dream home
Business was Booming!
Had \$1MILL of property
by age 25



Life was great!
Money was flowing!



**Met Em, Sold up everything,
started again & moved to Melbourne**



Melbourne Traffic SUCKED!



**Woke up One Day, Put Everything on Gumtree
& Moved to QLD!!**

- ❑ Signed 1st Project together started in **Qld** with the help of Investor at the last minute!
- ❑ **Sick of driving 2 hrs each way** in Melbourne Traffic just to get to a job site or work.... we'd had enough!



Sold up Everything...

and moved to Sunny QLD!



Lending was hard!

Pulled the loan together on a shoestring!

EM **left her job to work from home** SO... payslips had dried up! I was one short!

Hustled like mad to get the lending AND STILL **had to get a JV partner onboard** for the deposit



Then THIS random phone call happened...!



Aussie Property Flippers



Chasing the Dream...

Packed up everything... Got Excited!

Moved up from Chilly Melbourne to our **anticipated beach front dream life!**



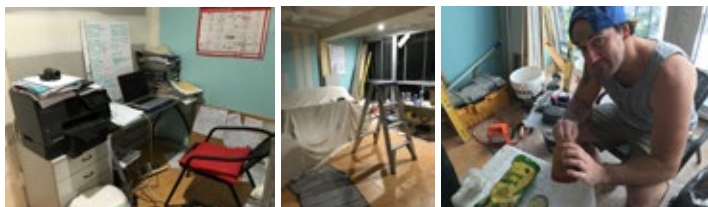
- ❑ **BUT... it wasn't quite what we had in mind!**
- ❑ Bedroom, Office and Laundry in one...!
- ❑ THIS was the reno life!



LIVIN' THE HIGH LIFE !....(ON SITE...)
with cameras in our face as well!



Living on site...





Not exactly glamorous



Plaster dust in EVERYTHING!
Even the toothbrushes
Can't find anything, EVER!



This got old pretty quickly!

We learned lessons in what NOT to do!



Deal #1. But it all Paid Off...



Project #1 – Live in Reno



• Before



• After

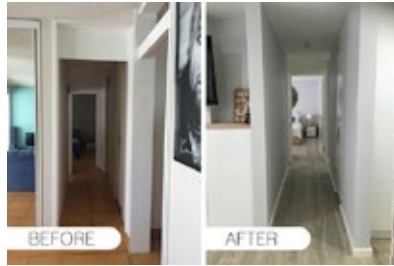


Before and After



COSMETIC RENO: #1 – Live in Reno PPR

- Time blow out from living on site
- 6 weeks turned into 6 months
- Purchased \$336K
- Spent 30K on Reno
- Stamp Duty \$3,360 (PPR)
- Refinanced at \$480K
- Profit Approx. \$110k



Developing a Cookie Cutter Template

- Saves **Time**
- Saves **Money**
- Quicker **Decision Making**
- Stronger **Negotiating** with Trades & Suppliers



Who can Learn Formulas & Follow Them?



It's not easy, but
it's simple.



GOAL: At least \$3 back
for every \$1 spent

OUR RULE OF THUMB: Aim to spend 10% of the Purchase
Price or Less on the reno. NO MORE!!!

KEEP RISKS LOW:

Aim to Spend LESS on the reno, than what you will make in
profit.

(ie: Try not to spend \$60K to make \$20K)



Project #2: Coolangatta – Six Weeks

- Purchased \$330,000
- SOLD \$442,500
- Stamp Duty \$3,300
- Reno Costs \$15,000
- Agents Cost \$5,000
- Solicitor \$660
- **RENO PROFIT: \$88,540**
- Interest To Private Lender \$10,000
- + **Airbnb Profit while on market \$18,119**



\$\$\$.....???



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The \$3K Kitchen



FASTPROFITS 

I LOVE REAL ESTATE 

\$\$\$....???

• Before

• After



FASTPROFITS 

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The 1K Bathroom!

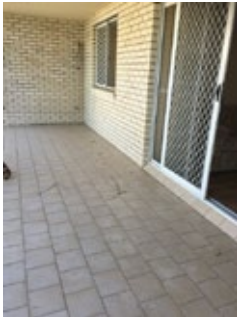
• Before

• After

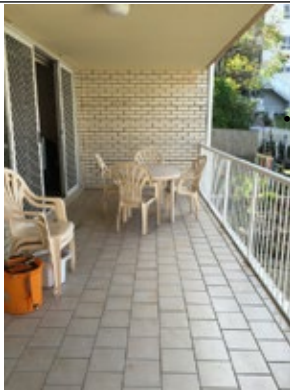
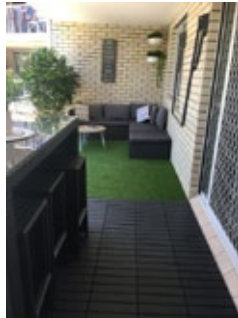


CREATING LIFESTYLE

Work out the most important space to spend the cash on to create maximum impact

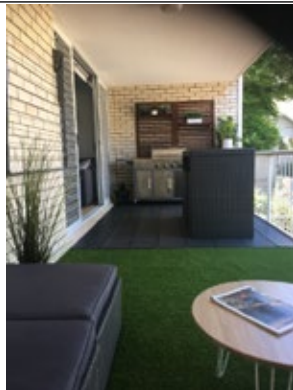


• After



Before

• After



Project # 2: Six Weeks

- Purchased \$330,000
- SOLD \$442,500
- Stamp Duty \$3,300
- Reno Costs \$15,000
- Agents Cost \$5,000
- Solicitor \$660
- Other associated costs \$10,000
- RENO PROFIT: \$88,540



BUDGET BUDGET BUDGET!

- Always spend \$1 to make \$3 & STICK TO BUDGET
- Find out who your buyer Niche is, and ask what **THEY** want!
- Start with END in mind & work BACKWARDS to get the budget
- It's easy to get excited and carried away! Beware of shiny objects!



Renovation

- Sometimes the **mediocre house** is the house you want to renovate- NOT THE DUMP!
- Don't be emotional!
- Use the numbers to make decisions



PLEASE BEAR WITH US





How to Pick an Area!

OMG!

Grid Variance Analysis



Know your Area well!

- Sometimes what seems like 2 properties with the same specs are not.
- Ie: Two x 2 bed/ 2 bath apartments in same street... sound the same but could be \$50K difference in price (make sure it's not a "flat")
- One side of a street could be 100K higher in price to the other.... (check postcodes, infrastructure etc)
- Investigate the neighbours! What is the demographic- This is highly important when it comes to the selling process!



What's your Target Renovation?

- Units?
- Commercial?
- Apartment?
- Luxury Finishes?
- Executive?
- Cheap & Cheerful?
- Regional?
- Houses?
- Low End?
- Family Accommodation?
- PPR Reno?



Don't just rely on key word searches only

- Not everyone sees what you see
- Sometimes people aren't even aware that their property is cosmetically challenged
- Talk to people selling...would they want to sell for more if they could?
- Start in your own backyard...talk to your neighbours- letterbox drop, door knock.



- No-one would know from RE.com.au that this is actually a duplex, & offering 2 for 1!



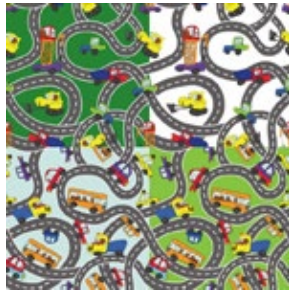
Start with what you have / know?

- Sometimes a great place to start can be **your own backyard!**



Road Maps

- Usually people stay stuck and don't move forward because they don't know how to get from where they are, to where they want to be.
- You need to **KNOW your destination FIRST**, THEN ask for the map



Road Maps

- Some people try to get to their destination with the wrong road map. Or worse, guess the roads that they need to take!
- You can't get to Sydney with a roadmap that takes you to Darwin!
- Ultimately, **if you don't know where you are going** in life, you WILL get there!
- **If you know what you want, then there's always a Strategy to get there!!**



When the \$\$ dries up, & the banks say no... then what?

- Do you know how to do deals without having to OWN the property?
- One of the greatest skills we ever learned, and something we share in our bootcamp is flipping using Options!



How to do Option Flips



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Keep As Much As We Can - **UPCYCLE**

• Before



• After



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Using **Mirrors** to Create Space



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The return of the BBQ Retreat Zone

Created another **perceived room**, by adding outside living zone

• Before

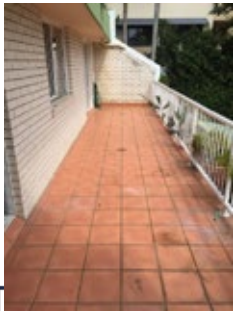


• After



Creating a New Zone: Balcony Retreat Area

• Before



• After

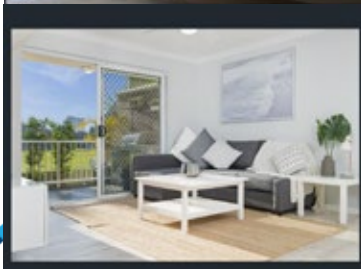


• Before

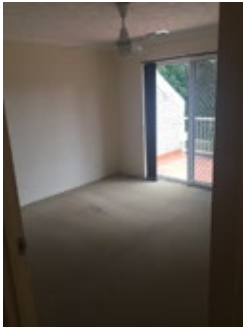


We ALWAYS use **staging** when selling/refinancing! !

• After



Master Bedroom Before & After



Project #3: Put & Call Option

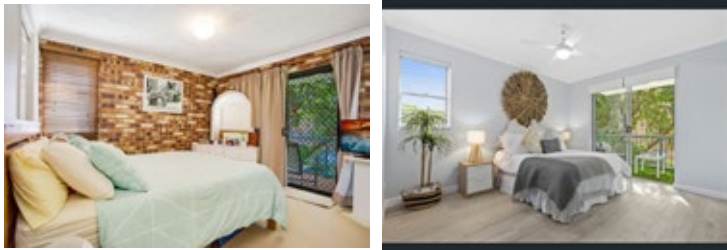
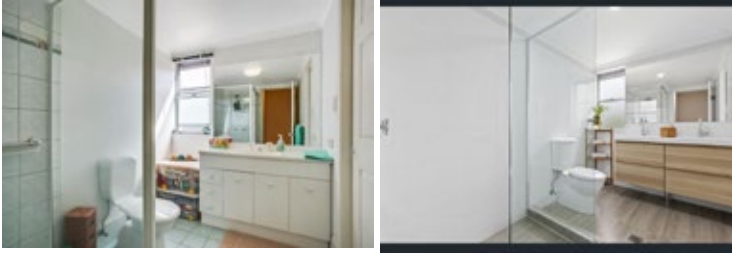
- Option to Purchase \$400,000
- Immediate access under license agreement
- Rent back to vendor \$400 p/week
- Reno Costs \$40,000
- Hold Costs \$2,000
- Agents Fee \$8,000
- No Stamp Duty
- Sold Option 6 weeks later \$550,000
- **Profit \$100,000**



Korina Ave - 5 WEEK FLIP



4K Bathroom Transformation



- Purchased \$393K
- Reno \$25K (added bathroom)
- PUT & CALL Option 90 Days
- Reno 4 weeks- SOLD \$525K



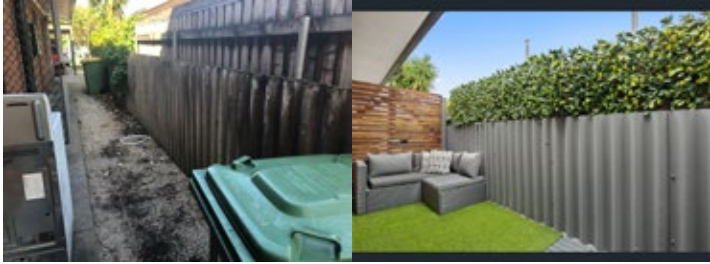
Working with the Community...

WIN/WIN!

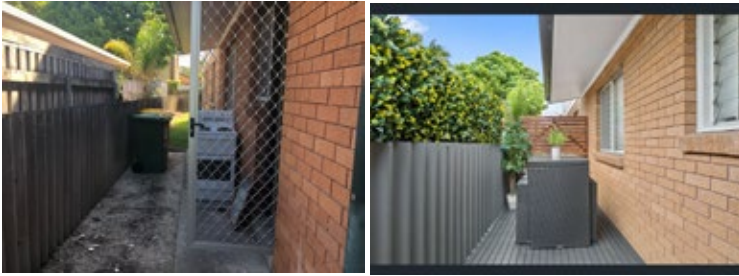
- Having had 3 PUT & CALL deals accepted at the same time, meant we also needed to FUND 3 deals at the same time!
- Being part of PLATINUM at the time, meant that we could meet & **collaborate with other Equity Partners** from the community
- This meant all 3 deals could be funded simultaneously, but we were also able to create fast profits for other investors at the same time
- WIN/WIN!
- Don't be limited by your own financial climate! Collaborate!



Working with the Community... **WIN/WIN!**

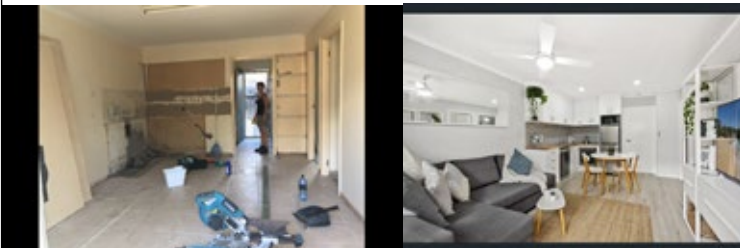


Sometimes all people want is a **'private space' to Enjoy & Entertain**



Nicotine be gone!

- Consideration to the use of space is also HIGHLY important in a small property to create a product that is perceptively larger



**Developing Relationships with Agents-
We secured this deal off Market!**

- We offered low, as the market was showing signs of slowing a little, but we knew that "ground floor" always sells in this area
- We offered to pay owner's real estate commission
- Purchase Price \$300K
- 90 day PUT & CALL Option
- Renovation costs \$20K + \$5K Legals + 3K Interest + selling costs
- 2 week Flip
- Sold \$380K (lower than we'd hoped but still a great outcome)
- Profit \$36K



CONSULTANCY TRUST

THANKS
FOR
BEING
AWESOME

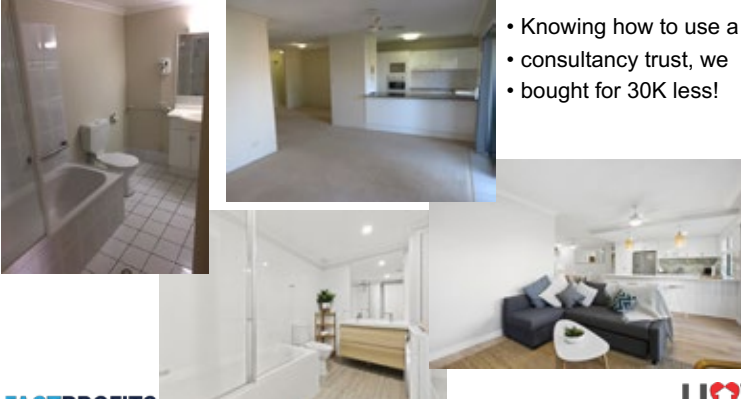
**How to keep doing
deals and being
able to Finance
them...
YAY!**

**Thanks to
Dymphna's
AMAZING Team**





- Tried to do another option
- Original offer was
- 30K MORE!






- Knowing how to use a
- consultancy trust, we
- bought for 30K less!


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Decided not to sell...


- Again we **broke all rules**, fell in love with it and decided to keep it
- Thankfully now that we had our **CONSULTANCY TRUST** set up, we had the lending ability to refinance it to pay out our investor
- We have now added this one to our Airbnb listings to create cashflow income


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Bilinga Numbers - 8 WEEK FLIP (comm games)

- Purchased \$410K
- Reno = \$35K
- Stamp Duty \$12K
- Legals \$2K
- Refinanced = \$550K
- **Profit \$91K**
- Average income \$25,000 Net p/annum

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Same Building - Put & Call Option

- Option for \$465K
- 90 Days
- Reno 30K
- Associated Costs \$22
- Sale Price \$595
- Profit \$78K



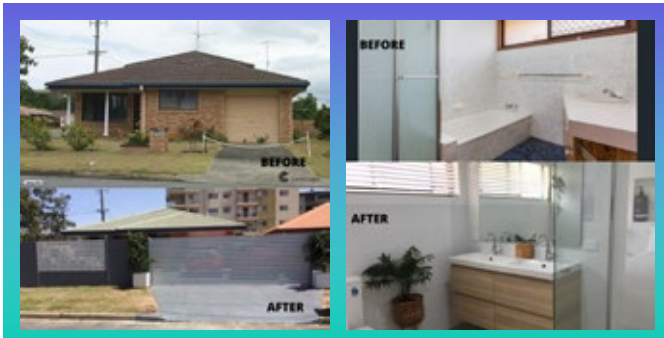
ANOTHER BILINGA PUT & CALL - it's about NEEDS! Owner needed a locked in sale- fear of covid market



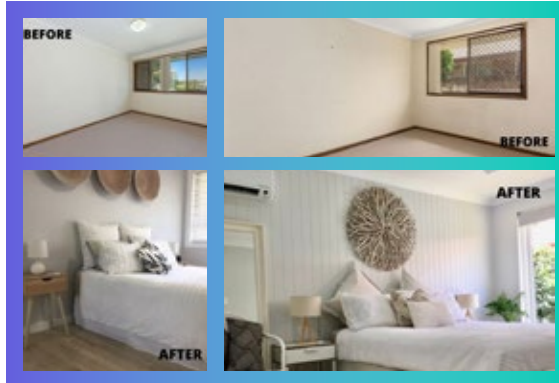
- Gained View
- Gained 2nd Car Space
- Will realise approx \$100K equity release



NSW Duplex - 100% bank financed Settled using 100% Finance



NSW Duplex



FASTPROFITS

Tweed Heads Put and Call

- Option to Purchase \$520,000
- Immediate access under license agreement
- Rent back to vendor \$250 p/week
- Reno Costs \$60,000
- New Valuation \$710,000
- Bank gave us 80% = \$568,000
- Stamp Duty \$19,027
- Sold Option 6 weeks later \$550,000
- **100% of the Purchase Price & STAMPS COVERED BY THE BANK!**



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18 month PUT & CALL OPTION

- Option to Purchase \$1.3M DUAL LIVING HOUSE
- Access under license agreement after 12 months
- Permission to do Renovation
- Rent back to vendor \$700 p/week
- Time to create the deposit
- Time for further Capital Growth
- Time to create Manufactured Growth
- We knew what the market is doing
- Shortage of houses in this area



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K.I.S.S.- Don't get Analysis Paralysis

- If you **consider too many areas**, your focus will be too spread, you'll likely be **overwhelmed** with the amount of research required!
- Become an **absolute expert!**

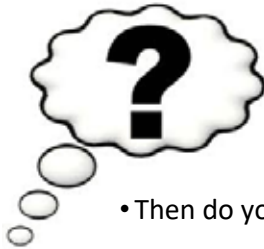


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You can use Renovation key word searches, but Consider areas you are interested in



- Then do your Grid Analysis

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Systematic Due Diligence

- Is **new infrastructure planned** or coming, ie: transport, transit lines, shopping centres, home maker centres etc
- Does that area attract people with high disposable incomes?
- **KNOW** your **END BUYERS!**



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Keep Spreadsheets!

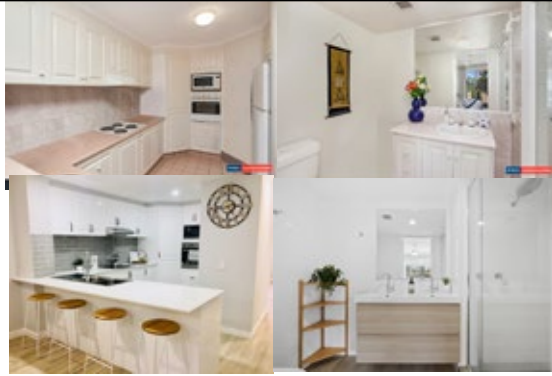
- With area info for **easy reference**,
- **Include**
 - maps,
 - research results,
 - sources &
 - contact details etc.



This is a business not guess work!



- **Understanding TIMING!! & what is driving purchase behaviour (comm games)**





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DJERRAL AVE

- Purchased \$410K (40K under value)
- PUT & CALL Option (BUT with no access for renovation so we had to settle)
- As "D" teaches, **we used multi strategies**, even though we didn't need to, as it came in handy to change the entity prior to settlement....risk mitigation
- Renovation \$30K / Stamp Duty \$12K
- Interest on private money \$10K
- Selling Costs \$15K
- Sold \$615K
- Profit \$138K + Airbnb 10 months \$48K

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Understanding timing
BARGARA - 6 month settlement

- Covid restricted travel
- Poor Marketing
- No mention of potential to sub-divide



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Perks of Older Properties



- Older properties **give you space**
- Older properties are **typically larger** and more thought out, user friendly and functional than more modern properties



Tips for Renovating – Property Selection

- A lot of 1970's-80's houses and/or apartments have **larger scale rooms** than the more modern counterpart... they are simply just dated.
- It's hard to find properties with big rooms anymore
- If you can modernise the look of an older property with larger rooms, you always have the advantage on the market over something more modern with pokey rooms... People like space as it's a rarity these days



Due Diligence / Comparables

- Apples with Apples
- Make sure there are some that are **similar to yours which have sold for more!** Those properties often indicate to you how to increase the value of yours.
- Always choose "comps" **within .5km radius** that have sold in **last 6 months**.



Dig Deeper - Ask more questions!



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Due Diligence

- TAKE EMOTION OUT!!
- Emotions can be very detrimental to your profit
- Find the **REAL** facts to assess the profits, based on **REAL** info, **NOT** opinions or feelings.



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With Neutral paint, this property sold in a week!



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Due Diligence

- Concentrate on the **bottom line & DON'T** get caught up in the interior design "fantasy".
- Don't **MARRY** a deal before it's a deal. The opportunity of a lifetime comes along every day. Don't get hooked on one particular property. If the numbers don't stack up... **MOVE ON!**
- There are **PLENTY** of deals out there everywhere. Don't try to "**Make**" something a deal.



Due Diligence - Beware of...



- Significant trees
- Steep driveways
- Flood prone areas
- Soil types
- Easements (sewer/power/access ways)
- Encroachments - survey site
- Caveats or other encumbrances
- Neighbour disputes
- Heritage overlays
- Adjoining properties / neighbour quality / tidiness / Barking dogs (time of day for inspections)
- Noise pollution / Air Pollution



Profit Margin

- Ultimately, you want to aim to end up with **20% of the overall cost of the property** as the net profit margin ideally.
- This would be MINIMUM!
- Otherwise the risk starts to out weigh the reward.

**Net
Profit
Margin
(NPM)**



End Retail Value - Working it out

- Most important part of the reno is **realising the profits!**
- You can **reverse engineer a feasibility** to calculate this
- Ensure end sales price is **realistic** & work on a figure that the property could be sold for at a **"fire sale"** or **quick sale price**.



Inspection Checklist

- We developed our own **INSPECTION CHECK LIST**.
- This will also help to prompt with questions to ask the agents.



Reno Strategies to consider...

- Seller JV
- Put & Call Option
- PPR
- Money Partner JV
- Hold & Refinance (could it be a cash cow?)



This Shower had not been useable for 2 years... She'd started to pull it apart but got sick & couldn't complete



Before

After

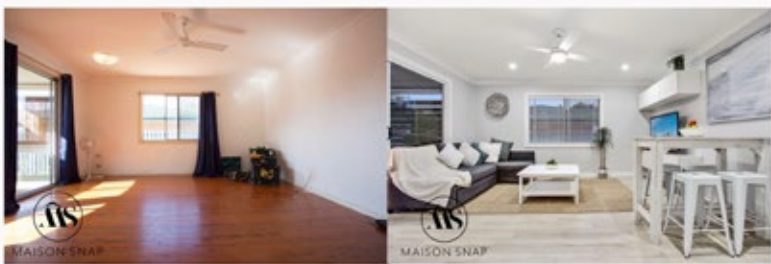
An extra bathroom, brought more value than a stand alone laundry for this 2 bedder...



Before

After

Floating floor was actually cheaper & quicker than re-doing the original timber



Before

After



Joint Venture Deal

- SOLD \$598,000.00
- - Agreed Start Value \$370,000.00
- - Reno Cost \$60,000.00
- - Selling COSTS
- = \$139,075.00 (split 50/50)
- = **\$69,537.50 EACH!**



Things to consider...

- What is the profit margin?
- What's the average days on market?
- Find the right agent!!!



Finding the right agent...

- They **MUST** have passion & enthusiasm for the area
- Genuine belief in the product you are giving them to sell
- Local knowledge & a love for real estate
- They **MUST** have a positive mindset
- They are working for you & not their own ego
- Incentivise your agent by offering a sliding scale commission bonus



Who is your target end market?

- Are you selling or renting to a family, young professionals, executives, low socio economic,?
- What standard of finishes do you need?
 - **Basic** — practical and price efficient renovating. These usually include shower cubicles, cheap basins and baths made of fibre glass and standard laminate cupboards. Lino instead of floating floor/tiles, "Lami panel"
 - **Standard** - low to middle renovations and rental tenancies. Usually includes standard ceramic tiles, ceramic basins, steel baths, downlights, roll top laminate benchtops and inbuilt wardrobes.
 - **Luxury** - High end finishes, luxury homes and executive rental properties. Finishes include stone tops, solid doors, walk in robes, glass splash backs, stone tiles and high gloss timber floors.



Tips...

Buyers want to buy "the dream". If you can provide them with the Seemingly Luxury finishes using the Basic/Standard Budget, that's when you're on a winner!

Find out where "80% of buyers" play.

Providing your buyer with what they feel is a top end product, for a middle range price, will attract lots of buyers & sell faster.



Same room, different surfaces



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Having the upper edge...

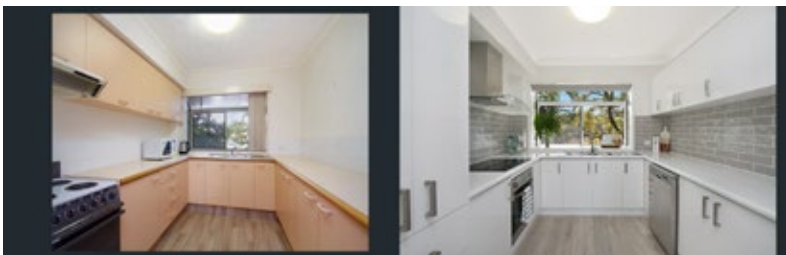
- Understand what your buyers want. It's about them!
- Find out **what** the masses want and give it to them!
- Speak to Agents- Find out what is selling & Why?
- Don't underestimate APARTMENTS for flipping... they are QUICK (Time is money!)
- Apartments can have a far greater impact for much less outlay (But Don't go above 1st floor!- Unless there's a lift)

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Tips for Renovating – Kitchens

- - The DUTTON STREET 3K Kitchen!



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Adding extra functionality to an existing space

AZ and EM



Before

After

KORINA AVE PROJECT: SAME KITCHEN
New Bench top & splash back & appliances
+ 2 New Cabinets made up
TOTAL COST: \$5000



Re-use where you can - EXACT SAME KITCHEN
Good Bones - Cosmetically Challenged



Tips for Renovating – Bathrooms

- TOTAL SPEND HERE: \$1000



Same Bathroom

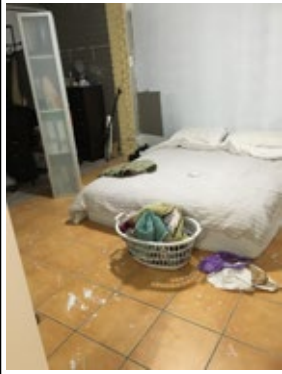
- Same doors
 - new handles
 - new stone bench top & sink
 - New tap ware
 - New Shower screen
 - New Toilet
- APPROX: \$2.5K



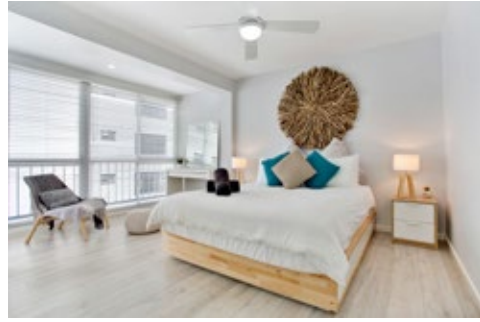
Tips for renovating bathrooms...

- Keeping the layout where you can, will keep costs down for plumbing
- The Importance of Waterproofing! ALWAYS get it certified
- Keep a bath where possible to appeal to larger pool of buyers & families
- Try to avoid having a toilet as the focal point of view
- Storage & Good lighting are important
- Tile paint can be a great quick 3-5 year solution if you're on a budget. Saves time & hundreds of dollars. Great for refresh for new tenants too.





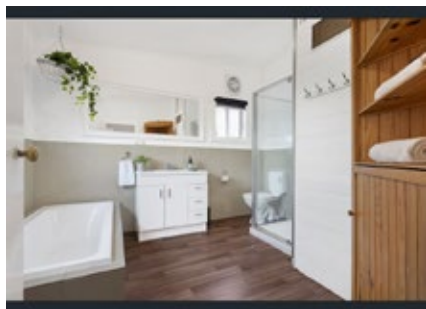
Powell before & After



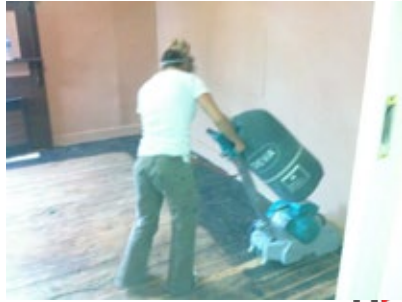
SARAWAK AVE:
Choosing longer boards to make the room feel larger/longer



Timber Looking Lino Feels warmer than tiles & is on trend for a cosy little Miner's cottage in a colder climate



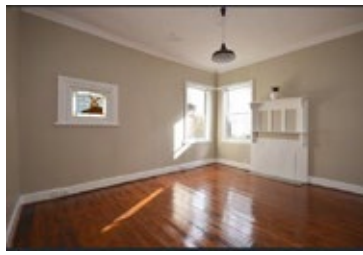
Sometimes you strike gold but need to roll your sleeves up!



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Paint and Polished Timber Floors



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AZ and EM



Before



After

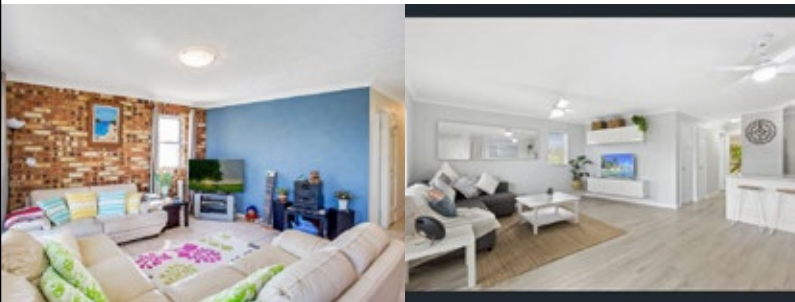
Painting Tips for Renovating

- ALWAYS neutral palettes, NO Bold Colours if you want to appeal to the Majority
- Fresh Paint can change EVERYTHING- Don't underestimate a lick of paint!
- Use GOOD Quality Paint, Brushes & Rollers- Don't learn the hard way!!!
- Bold Colours are a gamble- Steer clear, you'll limit your end buyer
- Think of the Climate!
- Greys & whites are lovely- but be careful not to use "cool" colours in colder climates



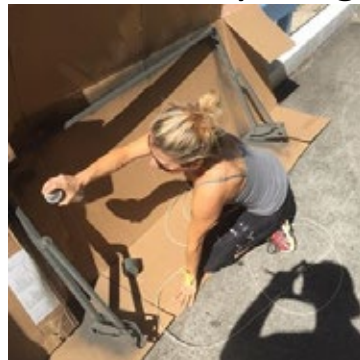
Tips for Renovating – Paint

Paint can create "flow" to a disjointed room



Paint can enhance everything...

- Not just walls, paint can give a new look to absolutely everything...new clothesline \$9



Tips for Renovating – Bedrooms

AZ and EM

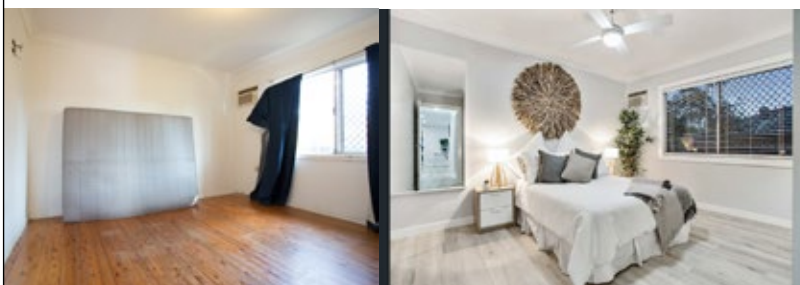


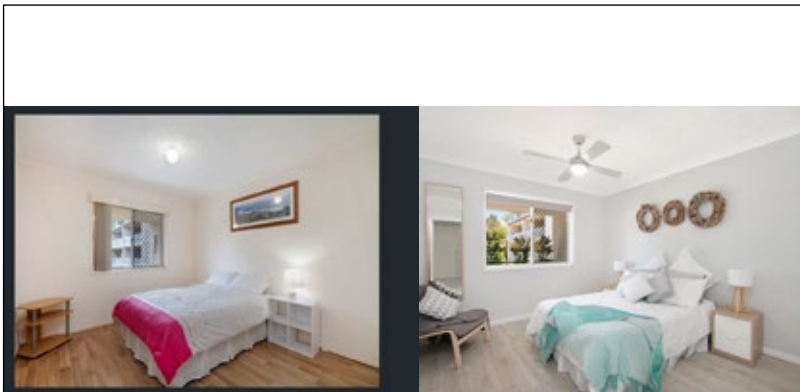
Before

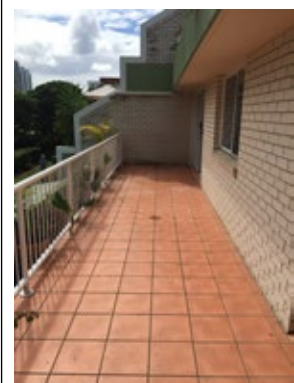
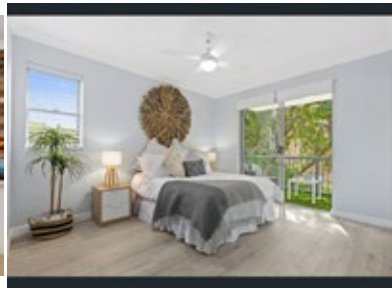
After

Tips for Renovating – Bedrooms

Saving TIME & Keeping to your style
Example of NOT keeping original timber flooring to save HUNDREDS



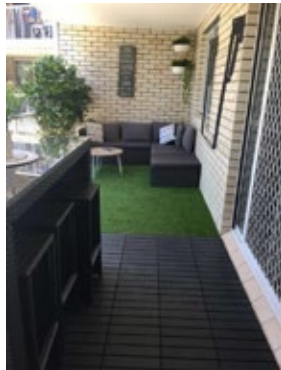
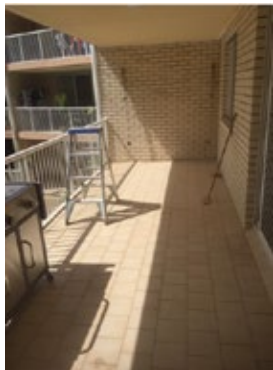


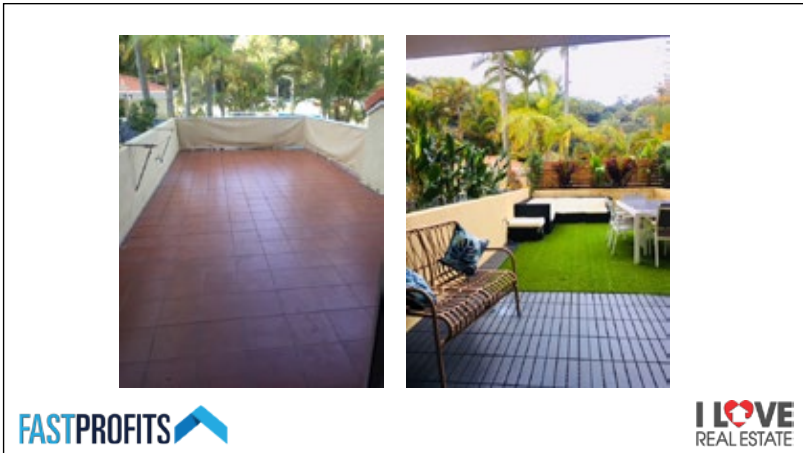
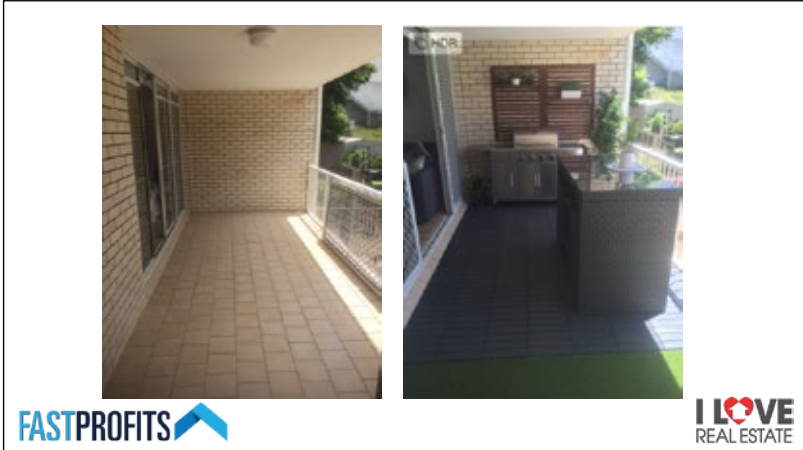


- Adding inviting useable “zones” creates another perceived “room” in the property and drives the value up.
- TOTAL COST: \$1000



Out door areas - TIPS





Tips for Renovating – Landscaping

AZ and EM



Before

After

Miner's Cottage Clean Up

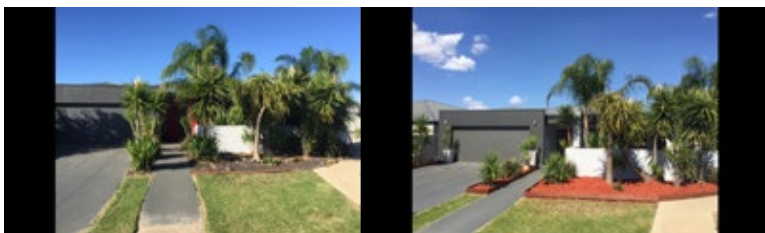


- Basic but Clean lines
- Pressure wash path
- Paint fence
- Coloured Tan Bark

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Tips for Renovating – Landscaping



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- gives street appeal and commands attention



Paving paint helped restore this tired old drive way for around \$100



The Team!

- PHOTOGRAPHER!!!
- A great **accountant** that can structure your business properly to enable you to get access to further borrowing - CONSULTANCY TRUST
- A great **solicitor** can save you thousands and help to avoid any dramas if things were to go pear shaped. A MUST for creative deals
- A talented **Book Keeper** that understands Property is a MUST



Tips for Renovating – The Team

- Reliable & Trustworthy **Tradies**- Treat them like Royalty!!!
Look after your Tradies!! Pay them on time & buy them a coffee (or beer)
- A big thinking **LOCAL Real Estate Agent** that has genuine belief and **EXCITEMENT** in your product is **ESSENTIAL!**
- A **Broker/Lender** that understands the nature of your business, goals and what you're trying to achieve



And a great coach...



Tips for Renovating – Time Management

- SUPER Important! Time is **MONEY!**
- When doing feaos, don't forget to factor in holding costs
- Co-ordinating Trades affectively
- Pre-planning Stock & supplies ahead of needing it
- Ordering online can save hundreds- do this ahead of needing it!
- Plan the order of operations & have clear goals for each day of the renovation



Tips for Renovating – Paperwork / Quotes

- Minimum 3 quotes, don't always go with the cheapest
- Get referrals
- Keep Spreadsheets
- Sign up to a free or cheap online software to upload your receipts to when you're on the go that you can share with your book keeper-(ie: Hubdoc)
- Get a Bunnings Power Pass & ask them assign the costs to each project
- ALWAYS get invoices & Receipts for work even if you pay a small premium to do so
- Two Columns in Spreadsheets- One for budget, one for actual spend



Tips for Renovating – New Trends and Products With Neutral paint, this property sold in a week!



THE 72 HOUR FLIP... Power of Knowing Your Area Well!



Creating Calm & Simplicity



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UNDERGROUND
MILLIONAIRE
2 Day Summit

Framing, Symmetry & Calm



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MILLIONAIRE
2 Day Summit

Lemons into Lemonade

RULE #101- Don't Over Capitalise!

K.I.S.S. - (Knowing what is right for the area)



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2 Day Summit

Ignorance can cost you money! Education is Key!!

Having the **education earlier** could have saved us \$150,000.00 - \$200,000.00 of wasted money!!!

EEEEEEEEKKKKKKK



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UNDERGROUND MILLIONAIRE 2 Day Summit

SILVER LINING! Having A Plan B - up My Sleeve!

- Being a risk avoider meant that we had **plan B in the wings**
- KNOWING OUR AREA like the back of our hands, meant **WE KNEW** that there was **demand for Airbnb** in the area
- It was refinanced and has now been **turned to cash flow** positive until the market returns
- Education is KEY!



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UNDERGROUND MILLIONAIRE 2 Day Summit

ASK YOURSELF THIS...



HOW COULD YOUR LIFE CHANGE...?

November 20-24th
Fast Flip Formula
Virtual Bootcamp

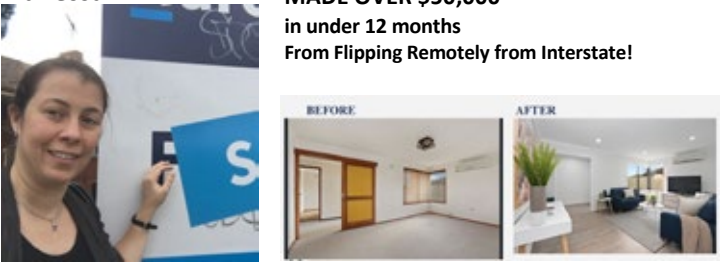
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SOME OF OUR STUDENTS

Vanessa

MADE OVER \$50,000 in under 12 months
From Flipping Remotely from Interstate!



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David

**5 Deals in 15 months!
Nearly \$500K profit since
bootcamp!!!**



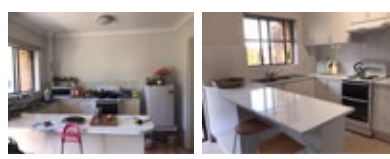
Sarah

**Flipped a Caravan!!
\$5000 profit in 23 Days!!**



Natalie

**Approx \$60,000
in under 8 months since
bootcamp!!!**



Daniel & Katie

\$82K from a property they didn't even have to purchase!!



So, What's Next?

Now...Can you learn Formulas & Follow Them?



**FRIENDS
FOR LIFE!**

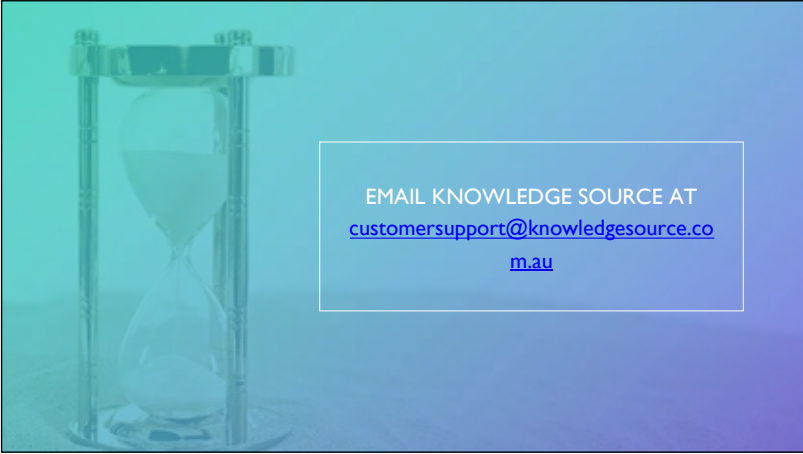


ARE YOU
READY TO
LEARN HOW
TO CHANGE
YOUR LIFE?

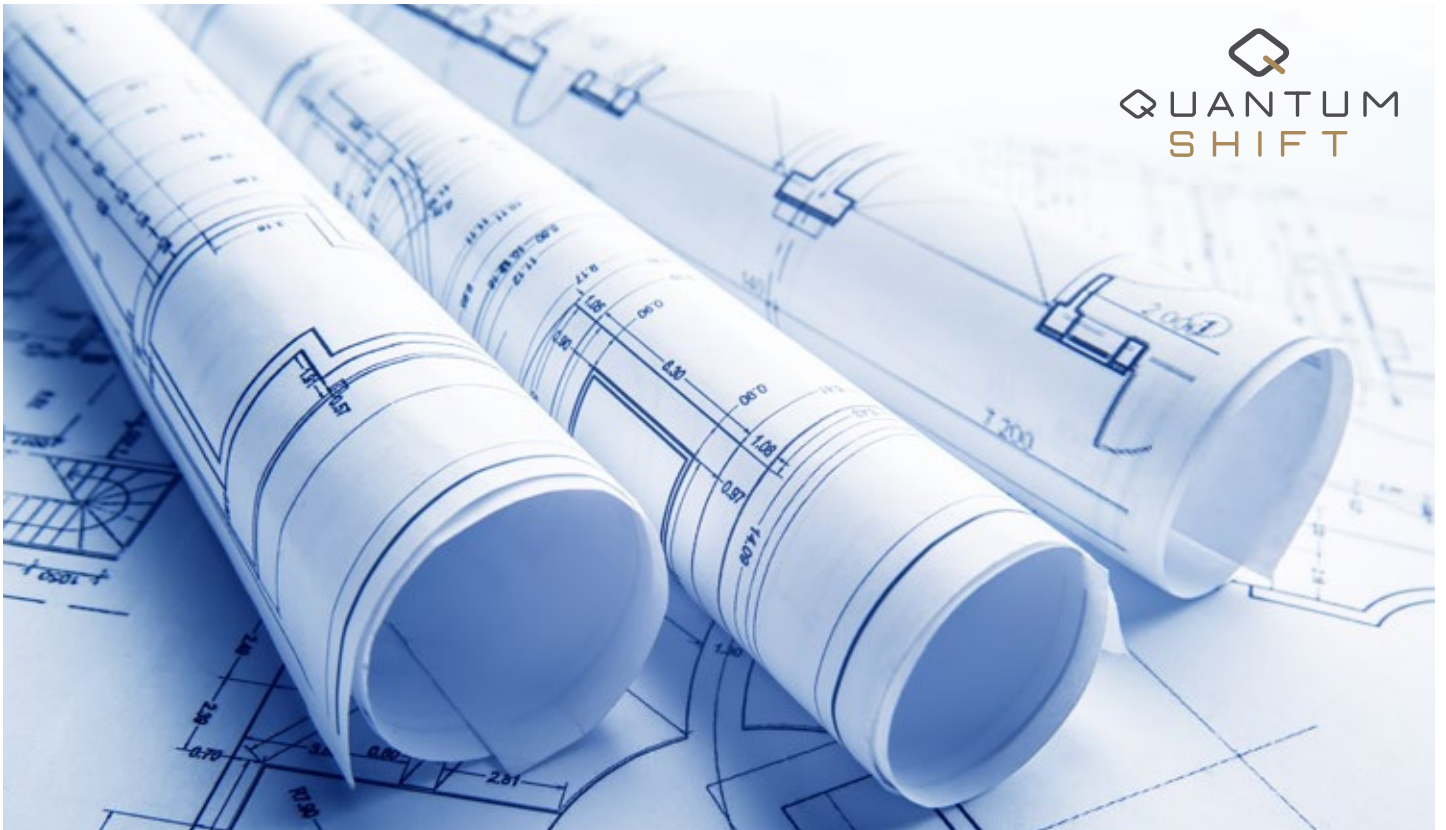
**OUR COOKIE CUTTER
TEMPLATE**

-  Saves **Time**
-  Saves **Money**
-  Quicker **Decision Making**
-  Stronger **Negotiating** with
Trades & Suppliers









7. Getting DA's for Fast Profits







Getting DA's for fast Profits




What is a Development Application

- A Development Application (DA) is a formal request for consent to carry out development and shows the merits of your project and how it meets local, state and federal development requirements.
- A DA consists of a collection of documents including:
 - Application form
 - Site/architectural plans
 - Town Planning report that will include consultants' reports such as flora and fauna, survey, traffic impact assessment, shadow diagrams, etc.

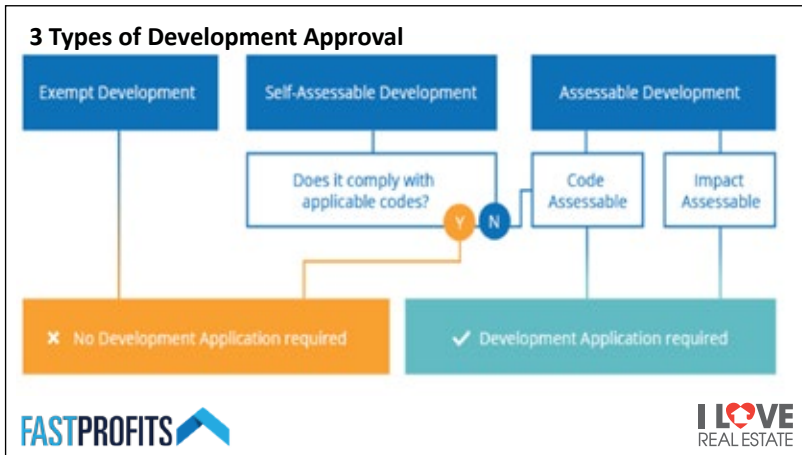


When do you need a Development Approval (DA)?

You will need to obtain Development Approval from Council **before** you undertake the following activities:

- Demolish, construct, add or alter a building.
- Erect a sign.
- Change the use of a property.
- Any tree damaging activity to a regulated or significant tree.
- Any external alterations (and in some case also internal alterations) to a listed heritage item.
- Divide or alter the boundary of an allotment.





3 Types of Building Requirements

1. Exemption Development

Exempt building work does not require a building development permit. The owner does not have to meet minimum building standards.

Some exempt building work may however require approval under the council's planning scheme. Owners are responsible for complying with the planning scheme and should make enquiries with the local council before starting any work.

Exempt building work includes:

- fixing minor attachments to a building such as a sun-hood no more than one metre from the building
- repairs and maintenance to existing buildings
- the construction of playground equipment not more than three metres high.

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NSW also has Complying Development

- Complying development is a fast track planning and building approval which can be issued within 20 days, and save homeowners up to \$15,000
- Under State Environmental Planning Policy (SEPP) you can get 10 -20 day approvals for NEW BUILDS, extensions, internal structural renovations, granny flats etc.
- There is also exempt development for State and Local Councils
- Complying development does not override private covenants

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3 Types of Building Requirements

2. Accepted Development – No Approval necessary for some minor building work. The owner is responsible for ensuring the work complies with applicable standards, such as structural sufficiency, size limits and boundary setbacks.

Minor building work may require approval under council planning schemes.

Owners are responsible for complying with such planning schemes.

Examples of accepted development building work include a:

- small tool shed, stable or the like up to 10 square metres in area, other than in a tropical cyclone area
- one metre high retaining wall (providing no loads are imposed above it, such as a building or driveway)
- fence not more than two metres high (not including swimming pool fencing).



3 Types of Development Approval Requirements

3. Assessable Development

– development application and approval is required before you can begin work on assessable development.

- building work
- plumbing or drainage work
- operational work
- reconfiguring a lot (subdivide)
- material change of use of premises
- clearing native vegetation ☐ demolition of existing building



Types of Assessable Developments

If your development is considered an assessable development, you must then determine the type of assessment required.

- **Code Assessment**
 - applies to development (project) that fits within existing planning instruments but may be inconsistent with existing local planning codes.
- **Impact Assessment**
 - applies to a development (project) which is against the local planning requirements, where it is inconsistent with the designated use.
 - An example is a development which does not align with the current site zoning.
 - An Impact Assessment requires **public notification** for the community to have a say.

Refer to the Sustainable Planning Regulation 2009 and other planning documents. There are two types of assessable development under the PA 2016:



Deal #1 – 7 Apartment Development to Hold

- Demolish and Construct 7 x 2brm Apartments
- JV with Builder
- 16km to Perth CBD
- Hold All for Cash Flow
- \$900k + Estimate Gross Profit
- 35% Approx. Profit on Costs
- 5mth DA/BA; 13mth Build; Oct 2016 - April 2018



Numbers

Purchase Price	\$ 872,500
Purchase Costs	\$ 40,000
Development Costs (DA - \$50k, Build, Titling)	\$1,573,500
Hold Costs	\$ 180,000
Total Costs	\$2,666,000
End Value 7 Apartments (\$530k each)	\$3,715,000
Sale Costs (If Sold)	\$ 93,000
Profit (If Sold)	\$ 956,000
Profit on Costs	35%
Cash Flow (@\$450/wk)	\$ 11,000

Valuing DA Approved Site

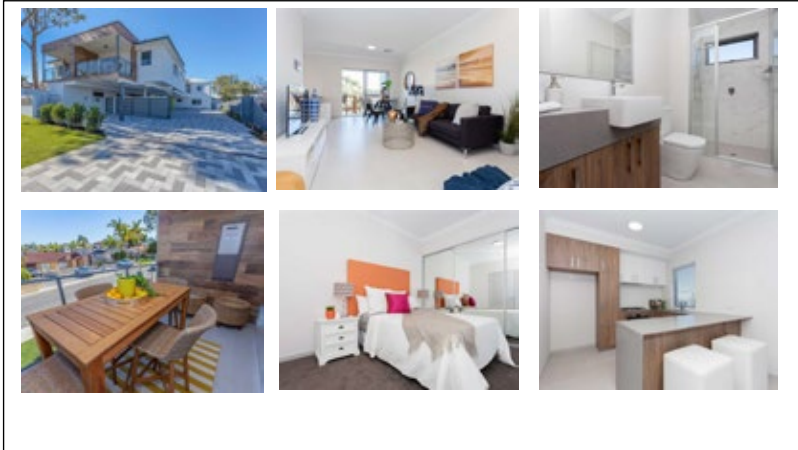
End Value	3,715,000	a
- Sales Costs	- 93,000	b
= Sale Proceeds	3,622,000	a-b
20% Profit	- 729,400	c-d
Balance	2,892,600	c-d-e
- Total Development Costs incl. Holders	- 2,666,000	f
DA Uplift	231,600	e-f-g
- DA Costs	- 59,000	h
Profit Potential (us)	181,600	g-h-i
DA Site Value	231,600 + 181,600	j+k
+ Hold Costs	+ 40,000	l
	\$1,144,200	

Numbers

Purchase Price	\$ 872,500
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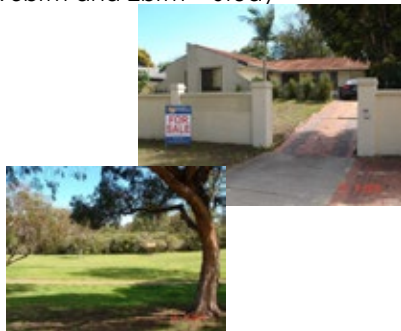
Valuing DA Approved Site

End Value	3,715,000	a
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- DA Costs	- 59,000	h
Profit Potential (us)	181,600	g-h-i
DA Site Value	231,600 + 181,600	j+k
+ Hold Costs	+ 40,000	l
	\$1,144,200	



Deal #2 – 5 Apartment Development to Sell

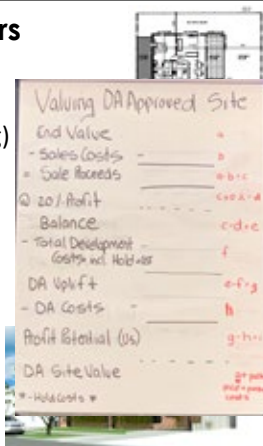
- Demolish and Construct 5 x 3brm and 2brm + Study Apartments
- Builder as Project Manager
- 16km to Perth CBD
- Selling to Downsizer / Retiree Market
- \$810k Profit Potential
- 33% Est. Profit on Costs



Expected Numbers

Purchase Price	\$ 800,000
Purchase Costs	\$ 44,000
Est. Development Costs (DA \$50K , Build, Titling)	\$1,325,000
Est. Hold Costs	\$ 137,000
Est. Selling Costs	\$ 84,000
Est. Total Costs	\$2,390,000
Sale 5 Apartments (\$640k each)	\$3,200,000

Profit Potential **\$ 810,000**
Profit on Costs **33%**



When do you need a Building Approval (BA)?

A **building approval** is required before starting construction, alter, add to, or demolish a building.

The purpose of a building approval is to check your proposed building work:

- complies with building laws, including the building code
- will be safe and structurally sound
- will provide the required levels of fire resistance, amenity, energy efficiency, and if required, access for people with disabilities

These **approvals** are also known as **building permits** and can be obtained from either your local **council** or a private **building certifier**



Note:
Terms may vary from State
to State
and Council to Council

Benefits of getting Development Approvals

- Getting a DA on a property is a relatively **cost effective** way to get an uplift in value on a property
- **Low dollar out put for high uplift**
- Can be effected pre-settlement with the use of extended settlement contracts of option agreements



ONLINE DA APPROVALS

- The next phase in efficient **DA approval process** is digital lodging and processing.
- Queensland, the [eDA system](#) has so far been picked up by 18 councils.
- Western Australia's [ePlan](#) is still limited to subdivision and amalgamation applications
- South Australia's [EPL system](#) allows some plans to be lodged electronically.
- NSW has introduced an online [Planning Portal](#), where you can check the zoning of your property, find out what type of development is allowable, view 3D demonstrations of exempt development and access various development application statistics.
- Victoria's [Planning Schemes Online](#) provides access to all council planning schemes.



DA Application Time Frames

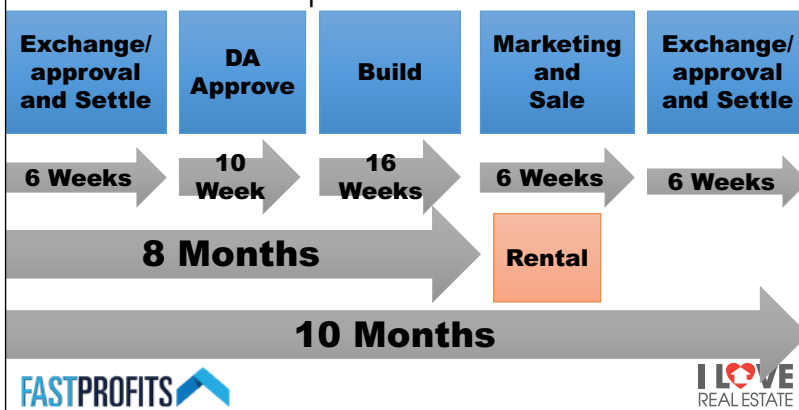
- In **NSW** it's **40 days**, after which you can take the matter to the Land and Environment Court. But way too expensive for most – Average 70 days
- In **Victoria** you can go to the Victorian Civil and Administrative Tribunal if you haven't heard from the local government authority within **60 days**.
- **Qld - A Code Assessable** development application can be expected to take **45 business days** before Council issues a decision notice. This timeframe may be longer if Council makes an Information request (up to 3 months) and does not include the time for your town planner to prepare the lodgement documentation.

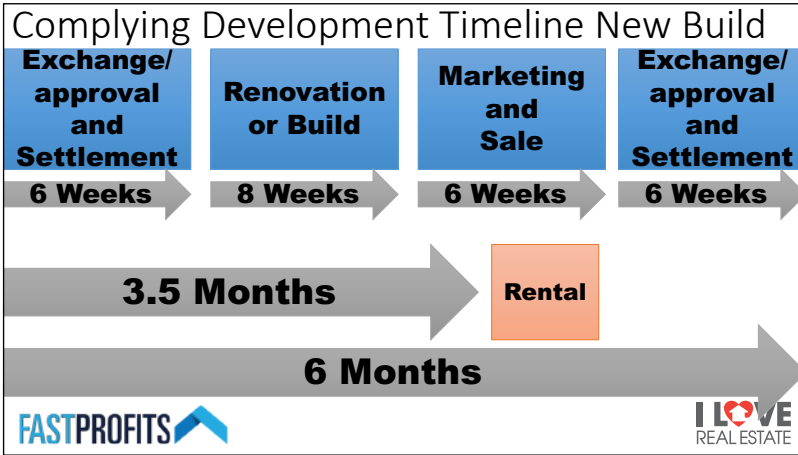
An **Impact Assessable** DA has a similar timeframe to a Code Assessable application but includes a 15 business day public notification period (with up to 10 business days in addition for Council to 'assess' any submissions). That is, up to **70 business days**.



- **SA** - the statutory **time limit** increases by **6 to 10 weeks**, depending on the referral agency. But allow 12 weeks for more information request
- **WA** - **60 days** to determine applications where no consultation is required. **90 days** if any consultation is required.
- **TAS** - 42 days of receiving it, including 14 days advertising for representations to be received.






Normal Development Timeline New Build





- ### Major DA Applications that create Uplift
- Development**
 - DA for higher density
Eg. Dual Occupancy (Duplexes and Townhouses)
- Secondary Dwellings (Granny Flats)
 - Material Change of Use (Eg. Residential to Commercial and vice versa)
 - Subdivision**
 - Reconfiguration of a Lot
 - Subdivisions
 - Boundary Realignment
 - Strata
 - Building Works/BA**
 - Construction
- Let's Play with some of these**
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- ### Major DA Considerations
- Site Analysis
 - Zones
 - Overlays
 - Council Culture
 - Cost
 - Construction Design (BA)
- 
- It is all about ticking the council boxes**
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1. Site Analysis

- Local Covenants. Eg Use of specific Building materials and Design
- Site relationship to your neighbours (such as privacy and overshadowing).
- The slope of the land, creeks and drainage
- Street character, including lot size and shape, the form of buildings (e.g. setbacks, height) and the landscape character.

Does my development sit comfortably in the neighbourhood?



2. Zones

Across Australia, all land has a designated zone and this tells you how the land within that certain area can be used.

- There are generally four zones:
 - Residential,
 - Commercial,
 - Industrial and
 - Agricultural
- Within these there are often sub-categories, such as those defining what type of commercial and industrial business can be carried out
- The laws around zoning are established by state and territory governments and this means they differ around the Country



Residential Zones

- Low Density Residential
- Medium Density Residential
- High Density Residential
- Rural Residential
- Tourist Accommodation



a) Low Density Residential Zone

- Provides for low density, low rise residential activities on conventional sized urban residential lots
- Generally, the maximum height for this Zone is 8.5 metres
- Preferred maximum density depends on the location, however is generally 1 x house per 600m² or 1 x Dual Occupancy on a lot of 800m²



b) Medium Density Residential Zone

Located around major and local centres

- **Provides for low and medium density residential activities generally in a low rise format, predominantly comprising multi-unit residential uses predominately for permanent residents**
- The maximum height for this Zone varies from 8.5 metres to 12 metres and the preferred maximum density is generally 1 x dwelling per 200m²



b) Medium Density Residential Zone

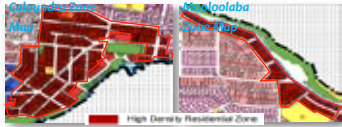
Permitted Uses

- Community residence
- Dual occupancy
- Dwelling house
- Dwelling unit
- Multiple dwelling
- Relocatable home park
- Residential care facility
- Retirement facility
- Short term Accommodation
- Home based business (where other than a high impact home based activity, i.e. vehicle repair)
- Sales office
- Shop (where a corner store)
- Community care centre
- Community use
- Emergency services
- Park
- Utility installation (where a local utility)



c) High Density Residential Zone

- Provides for medium and high density residential uses predominantly comprising multi-unit development and short term accommodation.
- The maximum height for this Zone is generally between 21-25 metres.
- The preferred density is a minimum of 1 x unit per 200m².
Within this Zone, Council encourage the highest possible yield (subject to compliance with other requirements).



c) High Density Residential Zone

Permitted Uses

- Community residence
- Dwelling house
- Dwelling unit
- Multiple dwelling
- Office
- Residential care facility
- Retirement facility
- Rooming Accommodation
- Short term Accommodation
- Home based business
- Sales office
- Shop (where a corner store)
- Community care centre
- Community use
- Emergency services
- Park
- Utility installation (where a local utility)



Some States use R Codes

- The R Codes can be used to work out if a property qualifies to be subdivided. In simple terms, R codes tell you how many dwellings or lots can be created on a 1 hectare (10,000 square metres) parcel of land provided you meet the minimum and average lot size for each newly created lot.



NSW – Department of Planning & Environment

- R1 – General Residential
- R2 – Low Density Residential
- R3 – Medium Density Residential
- R4 – High Density Residential
- R5 – Large Lot (Rural) Residential
- B4 – Mixed Use



VIC – Victoria Department of Transport, Planning and Local manages the growth of the State and the Melbourne Metro planning Strategy and the 8 Regional Growth Plans manage strategy to local councils for land use.

- RGZ – Residential Growth Zone (new)
- GRZ – General Residential Zone (new)
- NRZ – Neighbourhood Residential Zone (new)
- C1Z – Commercial 1 Zone (new – includes some mixed use)
- C2Z – Commercial 2 Zone (new)
- LDRZ – Low Density Residential Zone (amended)
- MUZ – Mixed Use Zone (amended)
- TZ – Township Zone (amended)
- RLZ – Rural Living Zone (amended)



WA – Western Australia Planning Commission

- There are 3 tiers to the R-Codes for Land:
Low density – Codes less than R30
Medium density – Codes R30 to R60
High density – Codes R80 and above



NT – Department of Lands, Planning and Environment

- **SD** – Single Dwelling Residential
- **MD** – Multiple Dwelling Residential
- **MR** – Medium Density Residential
- **HR** – High Density Residential
- **RR** – Rural Residential
- **RL** – Rural Living
- **FD** – Future Development
- **CB** – Central Business (permits some residential development)



ACT – ACT Government Environment & Planning

Residential Zones (from lower to higher density):

- **RZ1** – Suburban Zone
- **RZ2** – Suburban Core Zone
- **RZ3** – Urban Residential Zone
- **RZ4** – Medium Density Residential Zone
- **RZ5** – High Density Residential Zone



Commercial Zones

- CZ1 through CZ6.
- CZ5 is a Mixed-Use Zone, which allows for residential development.



TAS – Tasmania Planning Commission

Their planning framework has designated 23 different zones without bothering with the use of code numbers. Here are a few of the more relevant ones:

- **General Residential Zone**
- **Inner Residential Zone**
- **Low Density Residential Zone**
- **Rural Living Zone**
- **Environmental Living Zone**
- **Urban Mixed Use Zone**



QLD – Department of State Development, Infrastructure and Planning

- QLD does not have a uniform standard planning scheme – (It Sucks)
- Nor does it have uniform planning codes
- Need to check with local council / town planner



SA – Department of Planning, Transport and Infrastructure

- Like Queensland, South Australia has no uniform zoning codes



3. Overlays

Mapped areas of Council interest, such as:

- Biodiversity, waterways and wetlands overlay
- Bushfire hazard overlay
- Coastal protection overlay
- Extractive resources overlay
- Flood hazard overlay
- Height of buildings and structures overlay
- Heritage and character areas overlay
- Each overlay has a 'Code', which may impact or apply to a development



A Couple that are worth mentioning



a) Height of buildings and structures Overlay

- Development having a height, which is greater than that nominated on Overlay map will trigger Impact Assessment (i.e. Public Notification)

Maximum Height of Buildings and Structures	
0 metres	10 metres
0.5 metres	15 metres
5 metres	20 metres
10 metres	25 metres
15 metres	30 metres
20 metres	35 metres
25 metres	40 metres



b) Flood hazard Overlay

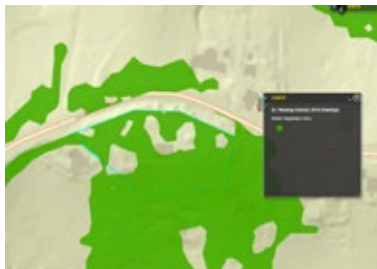
- Any new development or subdivision will require assessment for flood and inundation where located within the Flood Hazard mapped area. This Overlay may impact design (i.e. dictates minimum floor levels)



c) Vegetation Overlay

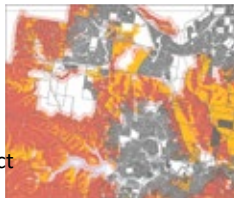
Vegetation protection

- Aims to protect vegetation from inappropriate damage, protect significant trees, and to maintain, protect and enhance a regions biodiversity, ecological values, habitat values, landscape character, cultural heritage and amenity.



d) Bush Fire Hazard

- Bush fire Prone area maps reflect the likely risk of bush fires
- In the years between 1967 and 2013, major Australian bushfires have resulted in over 8000 injuries and 433 fatalities, close to 50 per cent of all deaths from major Australian natural disasters in the period (excluding heatwaves). Over this same period, bushfires cost approximately A\$4.7 billion (2013 Australian dollars, including deaths and injuries but excluding most indirect losses).
- A fire front advances more quickly when travelling upslope and slows travelling down slope. The speed of a fire front advancing will double for every 10 degree increase in slope, so that on a 20 degree slope, its speed is four times greater than over flat ground.



e) Heritage Overlay

- The **Heritage Overlay** is used to protect sites that have **heritage** value, **meaning** that individual buildings or whole urban precincts may be covered.
- The protection afforded by a **Heritage Overlay** varies in each instance, though the controls apply to built structures and their associated land.
- Developer and renovators need to carefully cost heritage properties in their feasibilities



4. Council Culture

- No point in pushing for a development if council don't want it
- Council attitudes change over time with the election of new councillors
- Can be worthwhile 'lobbying/discussing' councillors for support
- Talk for town planners about the councils appetite for development



5. Cost

- It's all about the money
- Development application fees vary greatly across Australia
- Victoria seems to be the cheapest (But also one of the slowest)
- Queensland is the dearest (Not necessarily the quickest either)
- Local town planner will be able to give you a fair indication of costs



6. Construction and Design

- Now in BA territory
- Design should be
 - Efficient
 - Cost Effective
 - Have Flow
 - Have an Eye for the end user
 - Meet the Market
 - Have a plan B – eg. Rent profitably if it doesn't sell
- Use a good Designer or Architect



Development Process

- Property Search
- **Due Diligence** – price, size, scale, suitability, engage consultants, sketch, feasibility, etc.
- Acquire Site – Subject to DA approval? Option?
- Prepare Concept Design
- Pre DA/Lodgment Meeting with Council
- Prepare DA and supporting specialist reports
- Submit DA
- If requested provide additional information to Council



Development Process

- Public notification/advertisement
- Council assessment including relevance of any submissions
- Prepare planning assessment report
- Approved – Delegation or Council
- Refused – Delegation or Council
- Court – Approved or Refused.





8. Commercial Uplifts







Residential vs Commercial		
	Residential	Commercial
Returns	4%	6 – 13%
Borrowing Percentage	80 - 90%	50 – 70 %
Price Point	\$50,000 - \$2,000,000	\$50,000 - \$100,000,000
Tenant type	Mum and Dads	Business People
Term of Lease	12 months	5 years
Outgoings	Landlord Pays	Tenant Pays

Possibilities to Create Chunks

- All Residential Strategies
- Increase Rents
- Increase number of Tenancies
- Minification
- Strengthen Tenant Profile
- Strengthen Lease
- Multiple Uses
- Further Development
- Optimize Underutilized space
- Council Rezoning / Approved usages



Don't Panic.

Douglas Adams

quoteagency



Commercial – How do we do it?

- **Get Educated!**
- Understand the **terminology**
- Understand the relationship between **Yield; Risk; and, Value.**
- Have a clear picture of **what you want out of the investment**
- Form **good relationships** in the market



Commercial - Basic Terms

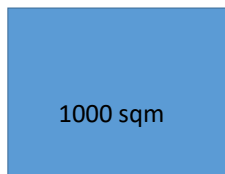
- **Gross Income** : Total Income
- **Net Income (Net Operating Income NOI)** : Gross Income – Costs = NOI
- **Rental per sqm** = Net Income / Net Lettable Area
- **Market Rental per sqm** = Average rental in the area / sqm
- **Yield** : Net Income ÷ Property Cost X 100 = Yield %
- **Capitalisation Rate – CAP Rate** : Generally refers to the average yield of a specific type of commercial property in an area (**Average Market Yield**)



Commercial Investing – Fundamentals

$$\text{Price} = \frac{\text{Net Inc.}}{\text{Yield}}$$

$$\text{Yield} = \frac{\text{Net Inc.}}{\text{Price}}$$



1000 sqm

Purchase \$1M
Rent: \$100K, lease expired
Yield = 10 %
Rental Rate = \$100 / sqm

Market Rental Rate: \$120 / sqm

Rent Review to Market : New Rent \$120K

Average Market Yield: 10%

New Value after Rental Increase = \$120K / 10% = \$1,2M



10 Ways to Create Chunks

1. Buy and Hold
2. Buy under market value – stressed sales (sell or hold)
3. Buy under market rent – bring rent to market
4. Buy vacant and get tenant (sell or hold)
5. Buy vacant / Reno / get tenant (sell or hold)
6. Strata or lease in smaller pieces
7. Add more occupancies (land or buildings)
8. Develop at 10 to 12% CAP and sell or revalue at 8 to 9% CAP
9. Stacking Strategies
10. Creative Strategies - Repurposing



Commercial Chunk Case Study 1 – Buy and Hold

- Asking Offers over \$530,000
- 9 Secure Tenancies in place
- 1,012 sqm
- Onsite Car park and amenities
- Solar Power
- Regional Property



Commercial Chunk Case Study 2 Buy Under Market Value

Property Description:

- 1010m2 NLA across 2 sheds
- Zoned Low Impact Industry
- 9,879m2 Land area
- Two titles



Purchase Feasibility:	
Contract Price (ex GST as going concern)	\$650,000
Bank Valuation (at Contract)	\$750,000
LVR of Contract Value	70.00%
Loan Amount	\$455,000
Equity	\$295,000
Out of pocket Cash	\$195,000
Purchase Costs	\$38,625
Total Out of Pocket Expenses	\$233,625
As Purchased Net Income (pre Interest)	\$76,288
As Purchased yield (pre Interest)	11.7%
Interest Rate	6.49%
Interest P/A	\$29,530
Net Income P/A	\$46,758
Income ROI of Equity %	15.85%
Income Cash on Cash ROI %	20.01%

Commercial Uplifts – What do classic investors look for?

- Security
- Yield
- Long Leases
- Unit or Freestanding
- Strong tenant
- Fully Tenanted
- Low maintenance
- Tax efficiency



Commercial Uplifts – What should we be looking for if we want uplift?

- Perceived Risk vs Actual Risk
- Yield
- Short leases or Leases in Holding-over
- Unit or Freestanding?
- Tenants?
- Partially Tenanted or Vacant
- Room for improvement



Commercial Investing – Have a clear picture of what you are willing to put into the Investment

- Money
- Experience
- Time
- Risk Profile of Asset
- Personal Risk Tolerance



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Income Cash on Cash ROI %	20.01%

**Commercial Chunk Case Study 3
Buy with Under Market Leases**

- 5 Separate tenants 1 title
- Long standing tenants
- Land Area: 1946m2
- Building Area: 950m2
- Current net rent \$56,451
- Leases in overholding



Strategy

- Increase rents to market
- Revalue property



Under-market Rents

- Increase rent for higher value and yield
- Check the measurements of the building
- Check other yields in the area
- Get the Leases read – very carefully
- Check rent review to market clauses and make sure they are in accordance with State Laws
(eg NSW retail rent reviews)



**Commercial Chunk Case Study 4 –
Buy Partially Vacant and Tenant**

- \$930K Purchase Price
- \$75K income p.a. on Purchase
- 8 Tenancies; 2 Vacancies
- Badly presented!
- Renovate, Tenant, Strata
- Reno cost: \$55K ; Strata costs: \$25K
- \$400K uplift potential
- \$102K p.a. Income post-strategy



Commercial Chunk Case Study 4 – Buy Partially Vacant and Tenant

- \$930K Purchase Price
- \$75K income p.a. on Purchase
- 8 Tenancies; 2 Vacancies
- Badly presented!
- Renovate, Tenant, Strata
- Reno cost: \$55K ; Strata costs: \$25K
- \$400K uplift potential
- \$102K p.a. Income post-strategy



PLATINUM ACCELERATOR



Commercial Chunk Case Study 5 Buy Vacant / Reno / Hold or Sell



BEFORE:

- Purchase price: \$950 per sqm
- Value: \$264,000 to \$331,000



AFTER:

- Sale Price: \$1300 per sqm
- Rental Income: \$ 85 per sqm
- Cap Rate: 7%
- Value: \$401,000 to \$430,000



Commercial Chunk Case Study 6 – Strata or lease in smaller pieces

- 3 Tenancies on one strata title
- Separate water and power
- Long standing tenants
- Offers over \$850,000
- Sold for \$780K
- Rental rate greater for smaller NLA



Commercial Chunk Case Study 7
Add more Occupancies

Property Description:

- 100m2 shed with living quarters
- Zoned Industrial 1
- 1000m2 Land area



Purchase Feasibility:	
Contract Price (ex GST as going concern)	\$199,000
Bank Valuation (at Contract)	\$199,000
LVR of Contract Value	65.00%
Loan Amount	\$129,000
Equity	\$70,000
Purchase Costs	\$11,940
Total Out of Pocket Expenses	\$81,940
As Purchased Net Income (pre Interest)	\$18,200
As Purchased yield (pre Interest)	9.1%
Interest Rate	6%
Interest P/A	\$7,740
Net Income P/A	\$10,460
Income Cash on Cash ROI %	12.70%



Commercial Chunk Case Study 7

Revised Strategy:

- 1) Takeaway and Warehouse
- 2) Build Storage Sheds in 3 stages



	Cost First Year	Cost Second Year	Income per	ROI
Purchase cost (land 40k+stampDuty 7k+ legal & evaluation 4k+ bathroom Reno 7k, etc)	50000		0	
Stage 1 (cattle +warehouse)		744	4%	
Stage 2 (3 storage 30x6m)	25,000	480	22%	
Stage 3 (6 storage 30x6m)	52000	960	22%	
Stage 4 (2 storage 30x 9m)	20000	450	27%	
land tax	4738	4738		
Mortgage (interest only, 20 years)	12,276	12,276		
Council Commission	1500			
Insurance + Other fees if any	2000	2000		
Management fee 3.2% + 1% rent-gst	2000	2000		
Total Rent per Year			\$2,634 per \$1,698 per PY	16%
Total Cost	175,774	25,614		

Commercial Chunk Case Study 8
Develop at 10% -12% and revalue at 7%-8%

Building Storage Units:

- Hold for Cashflow
- Low set storage facility (65 Units on 1782m2)
- Estimated costs \$520k (Inc signage marketing & interest)
- rental Potential Gross \$83,600 net \$42k. (Allowing two years to fill)



The Numbers
– starting
position



Costs	
Buy Price – Vacant land	\$450,000
Legals, stamps, disbursements	\$24,838
Total	\$474,838
Interest @ 8%	\$37,900
Land tax, rates, Insur, water	\$8,457
Total Expenses	\$46,357
Total Cashflow	\$ -46,357



The numbers
– 12 months
after
completion

Costs	
Buy Price – land 1782m2	\$161,818
Legals, stamps, Engineering, council planning	\$17,941
Build	\$337,849
Total	\$517,608
Rental	\$89,814
Expenses & Operating costs Inc Interest & management and marketing	\$42,767
Positive Cashflow	\$47,047



Valuations

- Specialist Valuer for Specialist Commercial Property
- Comparable land value
 - 1782 @ \$200 m2 = \$421,200
- New Val \$871,200
- Which one did the bank use?



Valuation Methods

1. **Income or Capitalisation Method**
 - What RETURN will investors be willing to receive on their money?
 - Uses annual Net Operating Income (NOI)
2. **Direct Comparison Method (\$ per square meter comparisons)**
 - Either on Gross Floor Area or Net Lettable Area
3. **Replacement Cost Method**
 - How much it costs to buy land in the area and build a similar building?
4. **Discounted Cash Flow Method**
 - 10 year DCF with Terminal Yield



Commercial Case Study 9 Stacking Strategies

Property Description:

- 1010m2 NLA across 2 sheds
- Zoned Low Impact Industry
- 9,879m2 Land area
- Two titles



Purchase Feasibility:	
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Interest P/A	\$29,530
Net Income P/A	\$46,758
Income ROI of Equity %	15.85%
Income Cash on Cash ROI %	20.01%

Anticipated Revaluation Figures:

Net Lettable Area = 1010m2 + 200m2	1210m2	
Net Income Rate	\$90/m2	
Net Income	\$108,900	
Area CAP Rate	7.05% to 9.26%	
Anticipated Revalue based on CAP Rate of 8.75%	\$1,244,571	
Recent sales of comparable units	\$952 to \$1,667/m2	
Anticipated Revalue based on valuer adopted rate of \$1000/m2	\$1,210,000	

Commercial Uplift Case Study 10 – Creative Strategies

- 8 shops on 7 titles with 10 leases.
- 4 Vacancies
- Passed in at auction

• Expectations

- Negotiate terms and price
- Run numbers on best case / worst case scenarios
- Set strategies – Simultaneous settlements
- Renovate and sell individually – target owner occupier first, then lease out and sell to investors



Commercial Uplift Case Study 10 – Creative Strategies

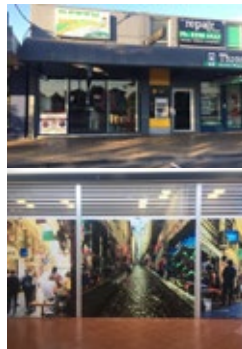
- Reno, sell off separately, simultaneous settlements, create new air rights title, enhance signage, solar.



Extended settlement, 5 months, to enable us to renovate and sell off before we paid for the property.

Renovated, Marketed and Auctioned in 12 weeks.

\$400,000 profit and \$1,000,000 value in air



Details	Cost	Value
Purchase price	\$3,850,000	
Stamp Duty	\$65,917	
		\$3,915,917
Commissions on sales	\$92,330	
Advertising	\$36,822	
Renovation	\$90,149	
Legals - Buy and Sell	\$39,000	
Owners Corp - Cost on settlement	\$8,000	
Extra comms on Nominations	\$12,000	
		\$278,301
Total Costs		\$4,194,218
Total Sales	\$4,616,500	
Profit		\$422,282
Possible interest on delayed settlement	\$2,996	
Adjusted Profit		\$419,286

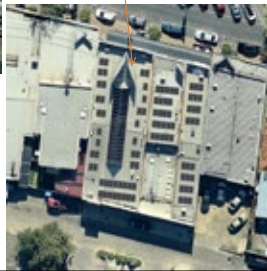
- Extras
- Air rights – new title
 - Signage – 4 panel sign - 5 year leases
 - Leasing in sections total lease \$100,000 pa
 - Solar – no money in - return \$5,000 pa
 - Area cap rate is 5%
 - Conservative – 10% cap rate
 - Recently valued as it at \$1,000,000



Solar Power



Before



After

Commercial Vendor Deals

- Deposit Financing
- Long Contracts or Option Agreement to get work done
 - Strata
 - Renovation
 - Get tenants
 - Build
 - Set businesses
 - Options as big as your imagination



The Key to Commercial Uplifts – Form good relationships in the market

- Commercial Real Estate Agents
- Property Managers
- Prospective Tenants
- Lawyers
- Accountants
- Consultants – Finance brokers



Commercial Chunk and Cashflow Student Deal: Nicolle and James

PLATINUM ACCELERATOR

Before:

CO-MERCIAL PROPERTY SECRETS

After:

I LOVE REAL ESTATE

Commercial Chunk and Cashflow Student Deal: Nicolle and James

PLATINUM ACCELERATOR

Financial Calculations at Purchase		Value and Income after Strategy	
Purchase Price			\$57,000
Stamp Duty			\$80,000
Legals etc			5.38%
Bank Loan			\$1,486,989
Equity Contribution			\$48,000
Loan Interest Amount p.a.	\$32,000	New Cashflow	\$686,989
Net Income	\$23,000	Equity Uplift	\$432,964
Cash on Cash ROI	11.67%	Net Equity Created	18.90%
		Return on Investment	

Increased Value by \$680,000
 Net Income \$89,420 p.a.
 Timeframe 17 months

CO-MERCIAL PROPERTY SECRETS **I LOVE REAL ESTATE**

James and Nicolle

Summary of Deal #2:

Property Description:

- 1010m2 NLA across 2 sheds
- Zoned Low Impact Industry
- 9,879m2 Land area
- Two titles

Purchase Feasibility:	
Contract Price (ex GST)	\$650,000
Bank Valuation (at Contract)	\$750,000
LVR of Contract Value	70.00%
Loan Amount	\$455,000
Equity (out of pocket Cash)	\$195,000
Purchase Costs approx.	\$39,000
Total Out of Pocket Expenses	\$234,000
As Purchased Net Income (Pre Int)	\$75,400
As Purchased yield (Pre Interest)	11.6%
Interest Rate	6.79%
Interest P/A	\$30,895
Net Income P/A	\$43,605
Income ROI of Equity %	22.36%
Income Cash on Cash ROI %	18.63%

Strategy Figures (budget):	
Stage 1 – Cosmetic Reno / Strata Title	
Cosmetic Renovation / cladding works	\$40,000
Strata title / body corp. establishment costs	\$10,000
Total Stage 1 Costs	\$50,000
Post Stage 1 Income @ \$90/m2 Net (Before Interest)	\$90,900
Interest	\$30,895
Post Stage 1 Net Income p.a.	\$60,005
Post Stage 1 ROI of Equity %	30.77%
Post Stage 1 Cash on Cash ROI %	21.13%



Stage 2 – Add Tenancies 200 to 400m2 STCA	
Additional Sheds (200m2 @ \$400/m2)	\$80,000
Additional Income @ \$90/m2 Net (pre interest)	\$18,000
Post Stage 2 Net Income P/A	\$108,900
Post Stage 2 ROI of Equity %	55.85%
Post Stage 2 Cash on Cash ROI %	29.9%



Anticipated Revaluation Figures:	
Net Lettable Area = 1010m2 + 200m2	1210m2
Net Income Rate	\$90/m2
Net Income	\$108,900
<div style="background-color: #0056b3; color: white; padding: 10px; border-radius: 5px;"> <p>Increased Value by \$570,000 Net Income after improvements \$108,900 Per annum Timeframe 2 years</p> </div>	
Area CA	
Anticipa	
Recent sales of comparable units	\$952 to \$1,667/m2
Anticipated Revalue based on valuer adopted rate of \$1000/m2	\$1,210,000



25 Lot subdivision – regional Vic

- Purchased as group of 4 with planning permit
- Required view for every block
- Sold during COVID lockdown in Regional VIC

Purchase	\$2,350,000
Development Costs	\$2,400,000
Marketing	\$50,000
Interest	\$480,000
GST	\$90,000
Total Costs	\$5,370,000
Total Sales	\$6,220,000
Profit	\$850,000



Bona Views – 29 lot subdivision

- Purchased with 18mth settlement pending ability to subdivide
- Desire for lot size in the location – sales lined up
- Currently in council
- Start works June 2021, Complete January 2022

Purchase	\$1,450,000
Subdivision Costs	\$4,800,000
Sales	\$9,500,000
Profit	\$3,250,000



East End Commercial – Commercial Subdivision

- Purchased as a group of 4
- Rezone, Subdivision, Construction, Lease and Sell.
- 27,777m2 Commercial land in a flood Zone
- Settlement Dec 2021
- Location beside Bunnings

Purchase	\$1,500,000
Strategy Costs	\$3,800,000
Reval of land	\$11,200,000
Profit	\$5,900,000



What are the financing aspects to consider?

- How does commercial lending work?
- How hard is it to refinance after an uplift?
- How long before you could go back for an equity redraw
- How are Banks liking Commercial Equity Redraws



Write down your preferred Commercial strategy and discuss in your break-out room...





9. Subdivisions step by step



Step 2.

Initial Survey of the site

- This will give you the true and accurate size and alignment of all your boundaries as well as the contours or fall of your site.
- Your town planner will use this document as the basis of all paperwork moving forward.



Step 3.

Drafting the newly proposed lots

- The town planner arranges for a draftsman to provide you with a document that clearly defines the proposed new boundaries and how the new owners are going to access their site.
- Ensure you understand what is presented on the plans and ask questions if unsure.



Step 4.

Public Notification

- With any change of use or configuration to a property, the public has the right and the opportunity to bring up their grievances about your proposed development.
- Your town planner should manage this process of notifying local residents of your intentions.
- Typically this will mean signage on the block for a mandated period of time



Step 5.

Submitting the application Phase 1

- This is largely done by the town planner and is basically the point where all the documentation is collated and lodged with council
- Some states like Victoria expect you to have a concept plan drawn up of what will potentially be built on the site.
- Larger sites will have a pre-lodgement meeting prior to the actual lodgement



Step 6.

Engaging contractors to install services

- Arrange for contractors to quote and then book in for installation of services to the site.
- Among other installations, tasks such as sewer, water, storm water, driveways and fencing will need to be organised.



Step 7.

Application Approval

- Assuming council says yes to your application to subdivide, receiving the conditional approval from council can be a little daunting as there may well be a list a mile long that needs to be adhered to.
- This is where your town planner comes in to help you manage the process in a timely manner.
- Council may also ask you to apply for an operational works permit if there are substantial earthworks or structural elements to be managed onsite
- In some cases very onerous conditions of approval can be argued – consult your town planner on this



Step 11.

Registering Title

- You have the sealed plan in your hot little hands and it's time now to go to the Titles Office and register your newly created block(s) of land.
- To accompany the sealed plan you may need some documentation from your solicitor that details any easements.
- You will now have multiple titles which can be sold separately



Time Frames

- | | |
|---|----------|
| • Prepare development application | 3 months |
| • Lodge DA | 1 months |
| • Council Approval & Advertising
(Time assumes no objectors) | 3 months |
| • Land Survey | 2 months |
| • Engineering design | 3 months |
| • Apply for electrical phone/broadband supply | 2 months |
| • Site Analysis Traffic Report | 2 months |
| • Construction Prices Obtained | 4 months |
| • Construction Period to Month 20; | 4 months |



Time Frames

Lodge bond at 85% uncompleted stage

- | | |
|---|----------|
| • Approval float time | 2 months |
| • Surveyor pegs site | 2 months |
| • Council approval engineering Design
(+ 1mt float time) | 5 months |
| • Lodge subdivision plan for sealing | 2 months |
| • Council seals plan | 2 months |



Time Frames

- Plan registered 1 month
- Settlement/ closing begins 2 months
 - Pay headwork costs & loans
- 12 months bond for road maintenance 2 months
- Commence estate maintenance 5 months
- End of maintenance defects inspection 2 months
- Return of bond on 13th month from 2 months
 - Bond lodgment

Note: Consider if Pre-selling is to your benefit. Don't start before Costs are known.



Subdivision Check List

- Down Load the Subdivision Checklist
- Use it as a guide to make sure that you have covered off on everything and that you have all the costs included in your feasibility
- The checklist can be used for large scale subdivisions as well as smaller projects. If doing a smaller project ask your town planner if everything on your checklist is required.



Step 12.

Sell or Refinance your newly created lots

Celebrate your Profit

Review what you could have done better

Look for the next one!



Great as a PPR Deal Cosmetic Reno + Subdivision I into 2



- Cosmetic reno completed and revalued with \$100k uplift! (Benefited from high growth in area)
- Subdivision DA recently lodged



**\$222k Profit Est. –
If Sell Vacant Land & House**



Great for Off Market Deals



L3 Acorn 0000 0 089F 032C 12/01/2017 13:57:00 83 012

Great for Off Market Deals

- Time frame Off market
 - Negotiation Sep. 2016, no option,
 - purchase with delayed settlement, no option
 - Settlement Jan 2017
 - DA – approved early March 2017
- 1.03 mil Net realisation (585k + 470k after selling costs etc)
- 330k Total development costs (incl. DA, professionals. fee, etc)
- 532k Purchase costs (incl. stamp duty, legal, holding costs.)
- 164k profit, 19% profit on costs.

Profits are always better if you can stack strategies



3 2 1 1,160 squareMeter



- Currently rented for \$310 per week



- Preparing plans to submit to council for a duplex at the rear of property



The Numbers

• Sales of 2 New Dwellings + Renovated Existing	\$945,000
• Sales Costs	\$23,875
• Purchase Price	\$325,000
• Purchase Costs	\$19,500
• Strategy Costs – Planning + Subdivision	\$52,000
• Strategy Costs – Construction + Renovation	\$378,000
• Holding costs	\$23,000
• Total Costs	\$821,375
• Net Profit (before GST)	\$123,625
• Profit on Costs	15%



Meet Fred & Maggie – Platinum Students

- Needed chunk deals with multiple exit strategies
- Wanted to be mortgage free on PPR

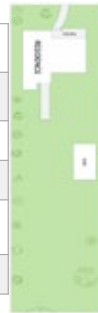


First Deal after joining I Love Real Estate

- Reno 2 bed house + build 2 x 3 bed duplexes
- 790m2 dual access block
- Added deck and carport to existing house
- 18% ROI



Purchase Price	\$545,000
Purchase and holding costs	\$52,000
Strategy costs	\$845,000
Sale costs	\$61,000
Projected Sale Price	\$1,830,000
Projected Profit	\$285,000



2nd Deal after joining I Love Real Estate

- Subdivide block to 2 lots + 2x Duplex Build
- 1226m² block
- 23% ROI

Purchase Price	\$450,000
Purchase and holding costs	\$43,000
Strategy costs	\$630,000
Sale costs	\$50,000
Projected Sale Price	\$1,500,000
Projected Profit	\$289,000



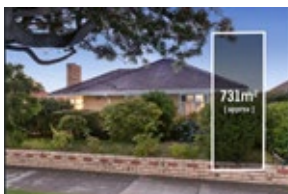
Meet Edo Chan – Platinum Student

- Family of 4
- Previous property experience in Hong Kong
- Home business selling auto parts



Victorian's call Strata a Subdivision

- 1 into 2 subdivision + build side-by-side duplex
- High demand for newly-built townhouses in the area



Purchase Price	\$831,000
Purchase and hold cost	\$125,860
Duplex Build & Costs	\$1,000,000
Sale Costs	\$46,000
Sale Price	\$2,300,000
Estimated Profit	\$184,320



Next Deal for Edo & family

- 1 into 2 battle-axe subdivision
- Duplex build on 2nd block
- High demand for newly-built townhouses in the area



Purchase Price	\$1,600,000
Purchase and hold cost	\$238,380
Duplex Build & Costs	\$1,200,000
Sale Costs	\$92,500
Sale Price	\$3,700,000
Profit	\$350,250



Jenny – Platinum Student

- Subdivision 1 into 2 + duplex build
- Chunk deal to improve AWE
- 12 month project time



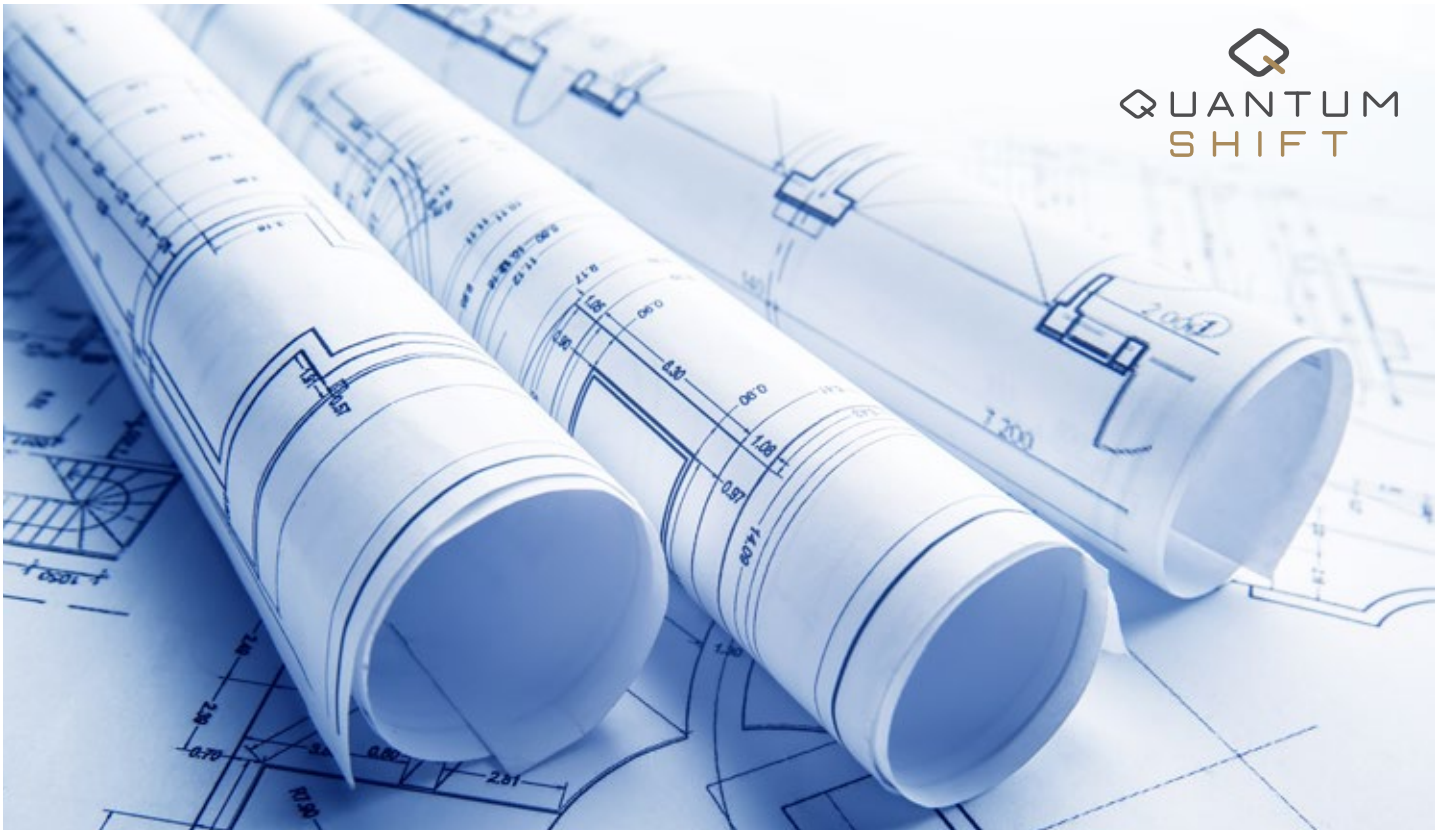
Purchase Price	\$217,000
Purchase and holding costs	\$36,300
Strategy costs	\$529,990
Sale costs	\$24,440
Projected Sale Price	\$920,000
Projected Profit	\$100,270



What are the financing aspects to consider?

- What's better to do first from a finance perspective
 - Reno
 - Subdivide
- How does the Subdivision Financing Process work?
- Are small Subdivisions hard to finance – Bank Appetite?





10. Small Construction Projects



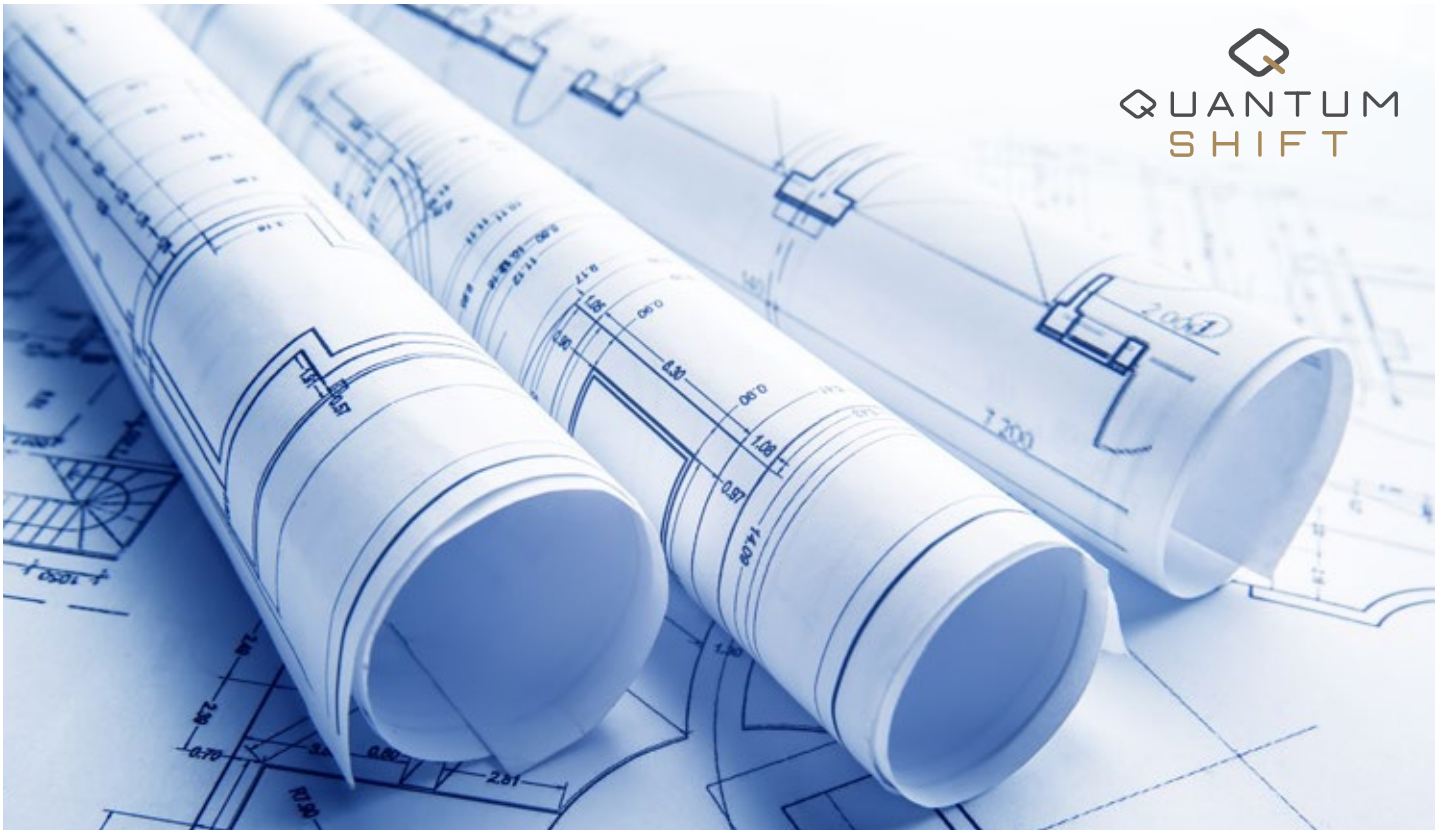
Small Construction in Country Areas vs Metro Areas

- Same cost of construction but greater sale value in the Metro area
- To make the regional areas work you need to adjust construction for the area
- Percentage profits will be lower in the regional areas
- BUT – entry cost is also lower



What are the financing aspects to consider?



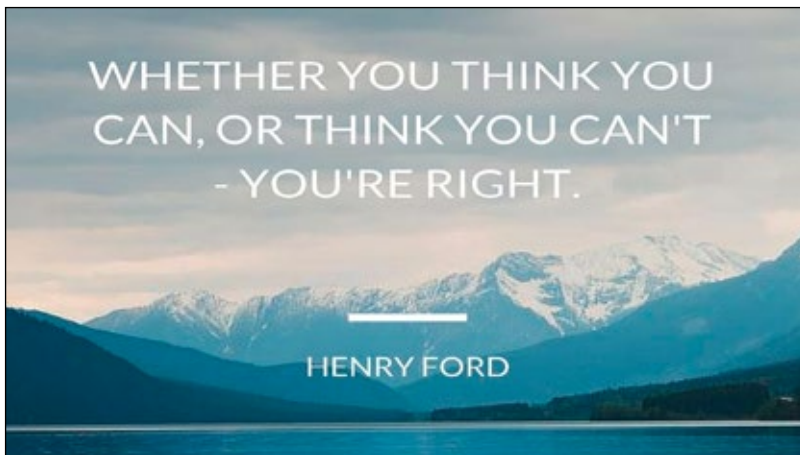


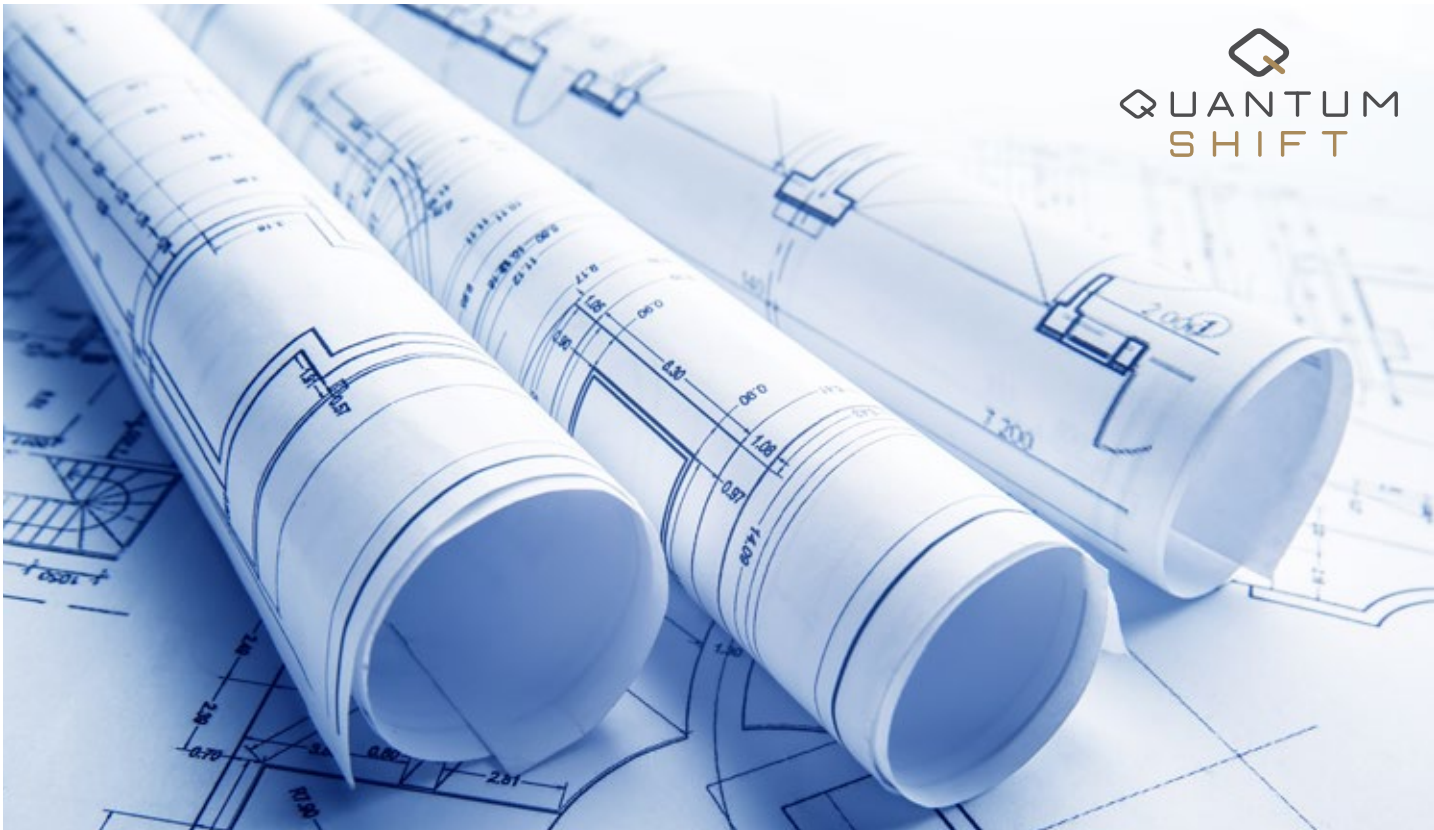
11. Two Year Plans



Month		Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19
Week		1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4
AWE		AS	CS	ES	GS	IS	KS	MS	OS	QS	SS	US	WS	
Subdivision - 2-3 Lots														
Deal Finding	1 month													
Purchase Contract														
Due Diligence	1 month													
Settlement	2 months													
DA Preparation	2 months													
DA Lodgement														
DA Approval	3 months													
Renovation	6 weeks													
Siteworks	2 months													
Titling	6 weeks													
REA Research	1 Month													
Renders	1 Month													
Comparable Sales	1 Week													
Appoint REA														
Sale - Marketing House	2 Months													
Sale - Marketing Land	3 months													
Sale - Contract														
Sale - Settlement	2 months													
Total Money Req														
AWE - End Of Month		CS	ES	GS	IS	KS	MS	OS	QS	SS	US	WS	YS	
Passive Income		(A-B=C)	(C-D=E)	(E-F=G)	(G-H=I)	(I-J=K)	(K-L=M)	(M-N=O)	(O-P=Q)	(Q-R=S)	(S-T=U)	(U-V=W)	(W-X=Y)	
Created														

Month		Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19
Week		1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4
AWE		\$124	124	116	80	38	23	15	15	120	75	40	27	
Subdivision - 2-3 Lots														
Deal Finding	1 month													
Purchase Contract														
Due Diligence	1 month													
Settlement	2 months													
DA Preparation	2 months													
DA Lodgement														
DA Approval	3 months													
Renovation	6 weeks													
Siteworks	2 months													
Titling	6 weeks													
REA Research	1 Month													
Renders	1 Month													
Comparable Sales	1 Week													
Appoint REA														
Sale - Marketing House	2 Months													
Sale - Marketing Land	3 months													
Sale - Contract														
Sale - Settlement	2 months													
Total Money Req		0	8	36	42	15	8	0	-105	45	35	13	-230	
AWE - End Of Month		\$ 124.00	116	80	38	23	15	15	120	75	40	27	257	
Passive Income														
Created														





Appendix



SUMMARY

Trade	Task Summary	Notes
Ian Wassell House Removals	Stumping scheduled for completion by 30 th April 2014 Need copy of: Building Contract, BSA Licences, Public Liability Insurance & Indemnity Certificate of Currency	Entire Building Re-Stumped
Demolition & Asbestos Removal	Removal of Internal Lining: (Inc. all asbestos), 2 kitchens, internal doors, fireplace, laundry / bathroom fixtures as per details outlined in section 1. Items to be Kept for Reuse: Selected fixtures, fittings & appliances to be kept for reuse as per details outlined in section 2. (Separate Demolition Scope Of Works including photos and demolition plans provided)	Upon engagement provide a copy of: BSA & Asbestos Licences, Public Liability Insurance & Indemnity Certificate of Currency
Builder	Provide support to remaining walls following asbestos / lining removal, remove any remaining walls as per plans and build new walls, install internal & external doors, assemble bathrooms, co-ordinate all trades, kitchen & appliance installation, floor covering, install weathertex external cladding, verandah handrail, new ramp & steps as per details outlined below in section 3 and in according with plans provided & BCA for a class 1b building.	Upon engagement provide necessary BSA Licences, Public Liability Insurance, Indemnity Certificate of Currency and Contract Works Insurance cover for the entire building during renovation Quote to include QLeave if required = (0.525% of Total Cost of Works)
Plumber	Remove and install new water pipes, sewer & waste pipes, hot water systems, water meter (if required), stormwater to street, section of guttering & 1 downpipe. Install bathroom fixtures as per locations outlined on "Add-A-Bathroom" plan below. (Refer to FP1200 & FP1400 plans)	
Electrician	Rewire entire building on 2 separate circuits (as it is currently), oversee upgrade of power (if required), install all electrical fittings as outlined below in section 3 and in according electrical plans & BCA for a class 1b building.	

All costs to be accordance with plans and BCA requirements for 1b Classified Building

Trade	Subject	Task	Notes
Asbestos Removal & Demolishing Company	All internal walls of Building	<p>Remove & Dispose of: (Photos & Plans Provided)</p> <ol style="list-style-type: none"> 1.1. All internal lining to all internal walls, including timber cladding to kitchen ceiling / walls & bathrooms, villoboard lining to bedroom walls & timber cladding to Bed 5 & Bed 5's Bathroom 1.2. Lining to all ceilings 1.3. Partition-like (non supporting) walls 1.4. Two kitchens including overhead cupboards / shelving 1.5. Hot Water System in kitchen 1.6. Concrete twin laundry tub 1.7. Shelving from pantry room 1.8. Fireplace box / mantle / tiled hearth 1.9. All internal doors & highlights above doors 1.10. Shower bases x 2, Bath, brown timber vanity, shelf unit in bathroom 1.11. Toilets x 2 (pans only to be kept) <p>Items to be kept: (Photos Provided)</p> <ol style="list-style-type: none"> 2.1. All vertical posts either side of every doorway 2.2. All corner posts 2.3. All roof support posts – as per plans 2.4. Elba oven – currently in managers kitchen 2.5. White Vanity – currently in managers bathroom area 2.6. 1 built in kitchen sink & mixer tap 2.7. 2 toilet pans 2.8. 1 Panasonic Split System air conditioner with remote – currently in managers living area 2.9. 2 Illuminated exit signs – currently mounted above doorways at front & western side 2.10. 2 oyster lights – currently in proposed bed 9 & bed 9's bathroom area) 2.11. 2 hardwired smoke alarms – currently in both living areas 	Upon engagement provide copy of BSA & Asbestos Licences, Public Liability Insurance & Indemnity Insurance Certificate of Currency

All costs to be accordance with plans and BCA requirements for 1b Classified Building

Trade	Subject	Task	Notes
Builder	Carpentry	3.1. Remove any remaining walls, following asbestos removal, as per plans Removal of Existing Walls: Marked on Plan in BLUE ; Build New Walls: Marked on Plan in RED .	<p style="color: red;">What cost saving could occur by reducing to 2.7mtr ceilings?</p>
		3.2. Build new 90mm stud walls throughout including necessary bracing as per plans	
		3.3. Provide support beams as required across Dining / Living & Bed 12	
		3.4. Maximum ceiling height to be 3mtrs	
	Internal Lining	3.5. Internal Bedroom Walls to be insulated with R2.5 Insulation Batts - RW40 & RW50 to bathroom walls .	<p style="color: red;">RW rating of bathroom pods TBC</p>
		3.6. Internal Bedroom Walls to be Lined with 10mm Plasterboard	
		3.7. Internal Ceilings to be insulated with R2.5 Insulation Batts	
		3.8. Internal Ceilings to be lined with 10mm Ceiling Plasterboard	
		3.9. Skirting Boards = Bullnose minimum 67 x 12mm	
		3.10. Architraves = Bullnose minimum 67 x 12mm	
		3.11. Cornice = 90mm Cove Cornice	
Kitchens	3.12. Co-ordinate with Cabinetmaker supply of 2 new laminated kitchens	<p style="color: red;">Separate itemised cost of Builder's Range to be provided to client for selection</p>	
	3.13. Supply & Install 1 new kitchen sink (1.75) & Install existing kitchen sink & existing mixer to Manager's kitchen		
	3.14. Supply & Install 1 new oven & install only existing Elba oven to Manager's Kitchen		
	3.15. Supply & Install: 2 x Dishwashers, 2 x cooktops, 2 x rangehoods		
	3.16. Assemble and install modular bathroom units		
Bathrooms	3.17. Bathroom Fixtures to be installed as per measurements outlined on FP1200 & FP1400 Add-A-Bathroom plans below	<p style="color: red;">Wall to be removed & rebuilt to install bathrooms to bed 5 & 6? & Bed 1? Client to mark up plan with towel rail & robe hook locations No door on Bed 10 bathroom Clayton Wood to confirm details</p>	
	3.18. Bathroom Doors – 11 x Cavity Sliding Doors to fit 705mm doorway opening with lockset		
	3.19. Build 1388 W x 95mm H ramp for disabled bathroom		

All costs to be accordance with plans and BCA requirements for 1b Classified Building

Builder	Laundry	<p>3.20. Provide cost to tile & line laundry & WC</p> <p>3.21. Supply & Install: 2 x inbuilt 45L S/Steel laundry trough with 1 shared mixer tap</p> <p>3.22. Supply & Install: 2 x sets washing machine tap</p> <p>3.23. Co-ordinate with Cabinetmaker new benchtop & small overhead cupboard as per plan</p>	As cost comparison vs purchasing modular units
	Bar & Games	<p>3.24. Co-ordinate with Cabinetmaker new bar benchtop</p> <p>3.25. Supply & install small sink & mixer</p>	
	Doors	<p>3.26. Internal Bedroom Doors – 5 x Flush Standard with key locksets</p> <p>3.27. Internal Laundry / WC Doors – 2 x Flush Standard (lock to WC)</p> <p>3.28. External Bedroom / Entrance Doors – 15 x 820mm wide & 1 x 620mm with level handle keylock sets</p> <p>3.29. External Security Screen Doors with Door Closer – 15 x 820mm opening & 1 x 620mm opening</p> <p>3.30. What would extra cost be to have 1 master key to all locks?</p>	<p>CLIENT TO CONFIRM STYLE</p> <p>CLIENT TO CONFIRM STYLE</p>
	Painting	<p>3.31. Painting – Internal house ceilings & walls (Excluding all bathrooms)</p> <p>3.32. Laundry & WC TBC – may use modular units</p> <p>3.33. Verandah ceilings</p> <p>3.34. Stain Merbau Decking</p>	
	Flooring	<p>3.35. Raise floor of lean-to section of Bedroom 12 & Main Dining at rear to same height as internal floor with 18mm compressed yellow tongue compressed sheet flooring</p> <p>3.36. Floor Coverings - Commercial grade timber look-a-like vinyl to all rooms except bathrooms / (laundry & WC – TBC)</p>	<p>TBC if modular bathrooms units used for laundry & wc</p> <p>NEED TO DETERMINE HEIGHT OF THESE ROOMS</p>
	Robes & Cupboard	<p>3.37. Supply & install 5 x in-built sliding door robes, with shelves & hanging rail to bedrooms 1, 7, 10, 11 & 12</p> <p>3.38. Supply & install inbuilt cupboard to hallway between kitchen & bed 10</p>	Provide separate cost
	Fire Extinguishers	<p>3.39. Provide & Install Fire Extinguishers within 4mtrs of an exit to each kitchen & bar area: 3 x 4.5kg dry powder type; 3 x 9ltr water type & 3 x fire blankets</p>	
	Windows	<p>3.40. Remove 3 existing aluminium windows from western</p>	

All costs to be accordance with plans and BCA requirements for 1b Classified Building

	<p>verandah and install in Bedroom 4, Games & Bedroom 5 (Sizes 2210W x 1130H; 2995W x 1130H; 2975W x 1130H)</p> <p>3.41. Supply & install new 1800W x 900H window to Main Kitchen, allowing for small splashback above sink</p> <p>3.42. Supply & install new 1500W x 900H window to Manager's Kitchen, allowing for small splashback above sink</p> <p>3.43. Supply & install new 1200W x 1200H window to Manager's Bedroom</p>	<p>Builder to check window measurements</p> <p>Builder to check new window measurements</p> <p>CLIENT TO CONFIRM IF REQUIRED</p>
Exterior	<p>3.44. Remove and enclose old windows that are not required with weathertex or hardi plank?</p> <p>3.45. Verandah Ceilings to be lined with 10mm Plasterboard (in line with rafters)</p> <p>3.46. Verandah exterior walls to be removed to floor level and single timber handrail installed</p> <p>3.47. Clad internal verandah walls with Weathertex cladding, to match existing weatherboards</p> <p>3.48. Eastern Verandah – Replace decking with Merbau Reeded 90 x 19mm Stained</p> <p>3.49. Western Verandah - Replace decking with Merbau Reeded 90 x 19mm Stained</p> <p>3.50. External Steps – Provide 2 new hardwood tread steps (with side stringers) to front verandah & replace 2 existing weather-damaged set of steps outside main kitchen at rear</p>	<p>Kylie to specify</p> <p>Separate cost for this please</p> <p>CLIENT TO CONFIRM STYLE</p> <p>Eastern decking needs replacing</p> <p>Provide separate price for Western decking (not essential to replace at this stage)</p>
Rubbish Removal	<p>3.51. Removal all builders / trade rubbish</p>	

Additional Costs

- 2}Leave = 0.525% of Total Cost of Works
- 3}SA Insurance
- 4}Contract Work Insurance

Trade	Task	Notes
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All costs to be accordance with plans and BCA requirements for 1b Classified Building

Plumber	Replace Earthenware Waste Pipes with new PVC	As Per Hydraulic Services Sanitary Plan 1812131-H-100-PR-A
	Replace Existing Water Pipes with new	As Per Hydraulic Services Water Plan 1812131-D-200-PR-A
	Install 2 x 613/315 Rheem (45amps) Hot Water Cylinders with Equa-Flow Manifold 3 x 3.6KW Elements and Install Rheem Hot Water Pump Set 890666	As Per Hydraulic Services Water Plan 1812131-D-200-PR-A
	New Water Meter Required?	Obtain costing from council
	Replace section of damaged guttering on Eastern Side of Building with existing style (Lysaght?) Move downpipe outlet on eastern side to allow for new proposed disabled access ramp	http://www.lysaght.com/product/lysaght-half-round-gutter-and-br-lysaght-flat-back-gutter
	Stormwater - Run existing downpipes to street	Stormwater plan not required as roof area remains unchanged

Trade	Task	Notes
Electrician	Building currently wired on 2 separate circuits – to remain this way.	
	Does power need to be upgraded? If so, cost involved	
	Rewire entire building on 2 separate circuits as per electrical plan. Refer below for detailed list of fittings	
	Smoke Alarms, Emergency Lighting & Illuminated Exit Signs must be linked to function when a smoke alarm is activated	
	TV Aerial – will the 1 existing TV Aerial be sufficient for entire building?	Refer to photo below
	Internet Wifi ? Advice on cost to install and how this would be managed on room by room basis?	
	Foxtel ?	Any extra wiring required for foxtel? Supply cost?
	Air Conditioning – Quote to be supplied for most cost effective system	TBC - Ducted vs Split vs Wall Mounted

All costs to be accordance with plans and BCA requirements for 1b Classified Building

Electrical Summary			
Quantity	Item	Supplied By Builder	Supplied By Owner
47	Low Voltage Down Lights	47	
14	Light / Fan Units – Refer to photo below for style or similar (Bunnings stock)	14	
66	Double Power Points	66	
21	Single Power Points	21	
15	Ceiling Fans with Lights - Refer to photo below for style or similar (Bunnings stock)	15	
15	TV Points (mounted 1800mm high in bedrooms) – Existing TV aerial be enough?	15	
15	Air Conditioners – Quotes to be supplied for Ducted vs Split System	14	1 Existing Panasonic to be reused
12	External Wall Lights - Refer to photo below for style or similar (Bunnings stock)	12	
2	Phone Points (separate lines)	2	
16	Smoke Alarms - Smoke Alarms & Emergency Lighting to be linked together	14	2 Existing to be reused
3	Emergency Lights	3	
5	Illuminated Exit Signs	3	2 Existing to be reused
1	Illuminated Exit Sign with Arrow Pointing towards “T” of exit	1	
232	TOTAL SUMMARY	227	5



3 separate circuits to remain



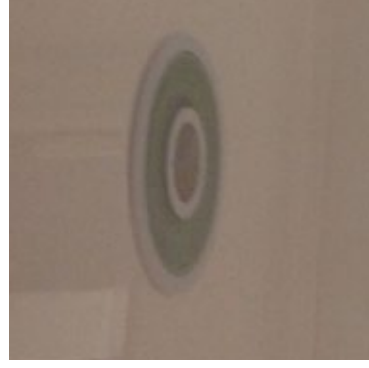
Existing TV aerial



External Wall Light



Ceiling Fan with Light



Light / Fan Unit

All costs to be accordance with plans and BCA requirements for 1b Classified Building

Trade	Proposed Room	Task	Notes
Electrician	Managers Bed 1 Bedroom 7 Bedroom 8 Bedroom 10 Bedroom 11	<p>QUANTITY PER BEDROOM</p> <p>5.1. 3 x Low Voltage Down Lights (2 x Bedroom, 1 x Outside Ensuite) 5.2. 1 x Light / Fan in Ensuite 5.3. 4 x Double Power Points 5.4. 1 x Single Power Point (Ensuite) 5.5. 1 x TV Point (mounted 1800mm high with 1 x DPP alongside) 5.6. 1 x Ceiling Fan with Light 5.7. 1 x Air Conditioner 5.8. 1 x Smoke Alarm (linked to main system)</p>	
	Bedroom 2 Bedroom 4 Bedroom 5 Bedroom 6 Bedroom 9	<p>QUANTITY PER BEDROOM</p> <p>6.1. 2 x Low Voltage Down Lights 6.2. 1 x Light / Fan in Ensuite 6.3. 4 x Double Power Points 6.4. 1 x Single Power Point (Ensuite) 6.5. 1 x TV Point (mounted 1800mm high with 1 x DPP alongside) 6.6. 1 x Ceiling Fan with Light 6.7. 1 x Air Conditioner 6.8. 1 x Smoke Alarm (linked to main system)</p>	
	Bedroom 3	<p>7.1. 2 x Low Voltage Down Lights 7.2. 1 x Light / Fan in Ensuite 7.3. 3 x Double Power Points 7.4. 1 x Single Power Point (Ensuite) 7.5. 1 x TV Point (mounted 1800mm high with 1 x DPP alongside) 7.6. 1 x Ceiling Fan with Light 7.7. 1 x Air Conditioner 7.8. 1 x Smoke Alarm (linked to main system)</p>	
	Bedroom 12	<p>8.1. 3 x Low Voltage Down Lights 8.2. 1 x Light / Fan in Ensuite 8.3. 5 x Double Power Points 8.4. 1 x Single Power Point (Ensuite) 8.5. 1 x TV Point (mounted 1800mm high with 1 x DPP alongside) 8.6. 1 x Ceiling Fan with Light 8.7. 1 x Air Conditioner 8.8. 1 x Smoke Alarm (linked to main system)</p>	

All costs to be accordance with plans and BCA requirements for 1b Classified Building

Electrician cont.	<p>Managers Kitchen & Amenities</p>	<p>9.1. 3 x Low Voltage Down Lights (2 way switch) 9.2. 2 x Double Power Points (Washing Machine & Bench) 9.3. 4 x Single PP (Dishwasher, Microwave, Rangehood, Fridge) oven? 9.4. 1 x External Wall Light outside Kitchen 9.5. 1 x Emergency Lighting</p>	
	<p>Managers Living & Dining Room</p>	<p>10.1. 3 x Low Voltage Down Lights (2 way switch) 10.2. 3 x Double Power Points 10.3. 1 x TV Point (DPP next to) 10.4. 1 x Ceiling Fan with Light 10.5. 1 x Air Conditioner 10.6. 1 x Phone Point (Separate Line to Main Dining Phone) 10.7. 1 x Smoke Alarm (linked to main system) 10.8. 1 x Illuminated Exit Sign</p>	3 or 2?
	<p>Bar & Games Room</p>	<p>11.1. 2 x Low Voltage Down Lights (2 way switch) 11.2. 3 x Double Power Points 11.3. 1 x Single Power Point (Fridge) 11.4. 1 x TV Point (DPP next to) 11.5. 1 x Ceiling Fan with Light 11.6. 1 x Air Conditioner 11.7. 1 x Smoke Alarm (linked to main system & no more than 5100mm apart from smoke alarms in dining / living) 11.8. 3 x Illuminated Exit Signs (1 with arrow)</p>	
	<p>Dining / Living / Hallway to Eastern Verandah</p>	<p>12.1. 5 x Low Voltage Down Lights (4 on 2 way switch) 12.2. 4 x Double Power Points 12.3. 1 x TV Point (DPP next to) 12.4. 1 x Ceiling Fan with Light 12.5. 1 x Air Conditioner 12.6. 1 x Phone Point (Separate Line to Manager's Phone) 12.7. 2 x Smoke Alarms (linked to main system & no more than 5100mm apart) 12.8. 2 x Illuminated Exit Signs 12.9. 2 x Emergency Lighting</p>	
<p>Kitchen & Hallway</p>	<p>13.1. 4 x Low Voltage Down Lights (3 on 2 way switch) 13.2. 3 x Double Power Points (Benches) 13.3. 4 x Single PP (Dishwasher, Microwave, Rangehood, Fridge) oven? 13.4. 1 x External Wall Light outside kitchen</p>	2 or 3?	

All costs to be accordance with plans and BCA requirements for 1b Classified Building

Electrician cont.	Laundry & WC	14.1. 2 x Light / Fan Unit 14.2. 3 x Double Power Points	
	Western Verandah	15.1. 4 x External Wall Lights (2 way switch)	
	Front & Eastern Verandah	16.1. 4 x External Wall Lights to Verandah 16.2. 1 x External Wall Light by Games Room Front Door 16.3. 1 x External Wall Light at base of ramp near Bed 10	

All costs to be accordance with plans and BCA requirements for 1b Classified Building

Trade	Proposed Room	Task	Notes
Builder	DETAILED LIST - Removal of Existing Walls: Marked on Plan in BLUE; Build New Walls: Marked on Plan in RED		
	New Managers Bed 1 & Ensuite	17.1. Remove 2 walls from old shower rooms 17.2. Remove section of wall to create doorway opening to ensuite 17.3. Remove window on northern wall of ensuite and enclose 17.4. Build new wall with cavity sliding door to ensuite 17.5. Remove existing toilet wall to assemble bathroom module and rebuild? 17.6. Build new wall, including doorway between bedroom & kitchen 17.7. Build new wall between bedroom and verandah including new external door	
	Western Verandah	18.1. Remove western verandah exterior walls (3 windows to be reused) 18.2. Remove 2 sections of walls dividing enclosed verandah (adjacent Bed 3) 18.3. Create doorway between verandah and hallway to Bar/Games Rm, including new external door 18.4. Build new steps to verandah adjacent Bedroom4	3 Aluminium windows from western verandah to be reused and installed in Bed 4, Bar & Games or Bed 5. (Existing window sizes
	Bedroom 2	19.1. Remove section of wall to create doorway to ensuite 19.2. Enclose existing doorway to become northern wall of ensuite 19.3. Build entire back ensuite wall	
	Bedroom 3	20.1. Remove section of wall to create doorway to ensuite 20.2. Enclose existing doorway to verandah to become southern wall of ensuite 20.3. Build entire back ensuite wall	
	Bedroom 4	21.1. Remove section of wall to create doorway to verandah including new external door 21.2. Remove angled wall and build new corner walls 21.3. Build new walls to create ensuite including cavity sliding door	
	Managers Living & Dining Room	22.1. Remove section of wall to create doorway to verandah including new external doors 22.2. Remove wall in centre of Managers Living & Dining Rm 22.3. Remove section of walls to open up doorway between Managers Kitchen & Dining (creating open plan)	

All costs to be accordance with plans and BCA requirements for 1b Classified Building

Builder	Bar & Games Room	23.1. Remove old front door surround and sidelights, or is this load bearing? 23.2. Enclose double doorway between Games & Bathroom	
	Bedroom 11	24.1. Build 2 entire walls to bedroom 24.2. Enclose 2 doorways in existing passage to form ensuite 24.3. Change normal door to cavity sliding door to ensuite	
	Bedroom 12	25.1. Remove 2 internal walls within Bed 12 25.2. Build 2 new walls to form ensuite with cavity sliding door	
	Laundry / WC	26.1. Remove 2 internal walls within existing laundry & pantry room area 26.2. Build WC wall and doorway 26.3. Build Laundry doorway	
	Main Dining / Living Room	27.1. Remove 6 sections of walls within Main Dining / Living Area to create open space	
	Bedroom 5	28.1.	
	Bedroom 6	29.1.	
	Access Hallway	30.1. Create doorway from Hallway to Eastern Verandah between Bed 6 & Bed 7, including new external door	
		30.2. Remove section of wall to create hallway	
		30.3. Enclose doorway to create southern wall to Bedroom 7's ensuite	
		30.4. Build new wall between hallway and Bedroom 7	
	Bedroom 7	31.1. Enclose Eastern doorway to verandah	
		31.2. Remove section of wall to create doorway to ensuite, including cavity sliding door	
		31.3. Build new wall dividing 2 bathrooms	
		31.4. Enclose doorway between bed 7 & kitchen to form northern ensuite wall	
	Bedroom 8	32.1. Remove 2 small sections of walls either side of existing doorway	
		32.2. Build new angled walls between Bedroom 7 & 8	
		32.3. Build new doorway to shared bathroom	
	Bedroom 9	33.1. Build wall between shared bathroom & Bedroom 9 including cavity sliding door or normal door	
		33.2. Build entire angled wall between Bedroom 8 & Bedroom 9	

All costs to be accordance with plans and BCA requirements for 1b Classified Building

Builder	Eastern Verandah	<p>34.1. Remove all semi enclosed external verandah walls to floor level 34.2. Build new front to verandah steps adjacent Bedroom 5 34.3. Building new disabled persons access ramp adjacent Bedroom 10</p>	
	Rear Hallway	<p>35.1. Build new walls and doorway to create hallway between Bedroom 10 & Kitchen 35.2. Build new broom cupboard</p>	
	Bedroom 10 – Disabled Persons Facilities	<p>36.1. Remove 2 walls from old bathroom 36.2. Remove doorframe and small wall from old WC 36.3. Remove and enclose north eastern window in ensuite 36.4. Remove section of wall to create doorway opening to ensuite 36.5. Build new wall with cavity sliding door to ensuite 36.6. Build external walls to verandah including external doors</p>	

All costs to be accordance with plans and BCA requirements for 1b Classified Building

Summary of Fixtures and Fittings

Room	QTY	Materials	Notes	Supplied by trade	Supplied by owner
Bathrooms		Refer to separate bathroom accessories list & photos below	Builders to provide separate cost as comparison to "Add-A-Bathroom" supplying with modular bathroom units	✓ ?	✓ ?
Kitchen / Laundry	2	Kitchen Sinks (1 existing to be reused)		1	1
	4	Kitchen / Bar / Laundry Mixer Taps (1 existing reuse)		3	1
	1	Bar Sink		1	
	2	Laundry Sinks		2	
	2	Oven (1 existing reused)		1	1
	2	Stove		2	
	2	Rangehood		2	
	2	Dishwashers		2	
Bedrooms	15	Ceiling Fans (12 x Bedrooms, 3 x Living Areas)		15	
		Free Standing Wardrobes –			

FIXTURES & FITTINGS

220

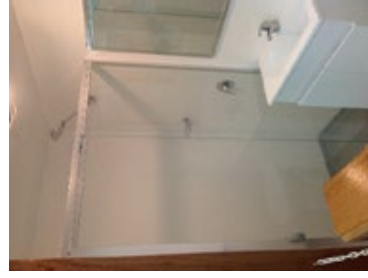


Kitchen / Bar / Laundry Sink Mixer

All costs to be accordance with plans and BCA requirements for 1b Classified Building

BATHROOM ACCESSORIES SELECTED – for 12 Bathrooms & 1 WC

- 11 x Toilets – Complete Ceramic toilet suite, Close Coupled, S Trap & Back to Wall (Bunnings Mondella or similar)
- 2 x Toilet Cisterns and toilet seats only (2 Existing Toilet pans to be reused)
- 12 x 600mm Towel Rail – Caroma Cosmo Metal Single Towel Rail 600mm or similar
- 1 x Hand Towel Rail – Caroma Cosmo Hand Towel Rail 200mm or similar
- 13 x Toilet Roll Holder – Caroma Cosmo Metal or similar
- 12 x Robe Hook – Caroma Cosmo Metal or similar
- 12 x Soap Dish – Metal Shelf with Soap Dish – or similar (Refer to shower photo below)
- 12 x Single Lever mixer tap ware for shower and Shower Arm & Rose on Adjustable Rod – or similar (Refer to shower photo below)
- 9 x 1320 wide Shower Screens with swinging door (FP1400)
- 2 x 1120 wide Shower Screens with swinging door (FP1200)
- 12 x Mirror – 750mm x 900mm wide Flat Edge Mirror
- 10 x Vanity – 600mm Rectangular Basin Vanity Unit ceramic top on feet – or similar (Refer to photo) (1 existing vanity & it's tap spout to be reused)
- 1 x Basin Tap Handles for existing vanity – Raymor ETON or similar (refer to photo below)
- 12 x Single Lever mixer tap for basin (per Bunning Style below or similar)
- 13 x 40mm plug and waste for basin
- Mini Stops for basin & toilet
- 12 x 80 x 50 floor waste for shower
- 14 x Circular Light / Fan unit – Bunnings stock (Refer to photo below)
- 2 x Wall Mounted Basin for Disabled & WC (must had flat section at back to place soap bottle – similar to photo below)
- 2 x Disabled toilet / shower metal grab rails



Close Coupled Toilet Fan / Light Unit Shower Accessories Shower Screen or similar

All costs to be accordance with plans and BCA requirements for 1b Classified Building



Cosmo Cosmo Metal Accessories



Ceramic Wall Basin

Ceramic Top Vanity

Basin Mixer

New Basin Handles for Existing Vanity

2 YEAR PLAN WORKSHEET

Passive Income - Now

Passive Income – 2 Years

Difference \$ _____

AWE – Now

Net Equity – 2 Years

Difference \$ _____

Next 3 Deals

Expected Profit

1.

\$ _____

2.

\$ _____

3.

\$ _____

SUBDIVISION CHECKLIST

TASK	TIME FRAME	COST
1. Research and analysis <ul style="list-style-type: none"> • Define your target market • Check the demand in your area • Check the zoning and overlays • Find out about the local demographics • Research the infrastructure • Check council and state legislation <ol style="list-style-type: none"> i. Town Planning Departments ii. Civil Engineering requirements 		
2. Finance <ul style="list-style-type: none"> • Work with a finance strategist 		
3. Sub-Division A-Team <ul style="list-style-type: none"> • Real Estate Agent • Building certifier • Building and pest inspector • Builder • Lawyer that specialises in development • Moneylender or Broker • Civil Engineer • Land Surveyor • Architect • Town planner • Quantity Surveyor • Landscaper • Accountant 		
4. Compose Plans		
5. Compile Documents for Development Application		
6. Building Works <ul style="list-style-type: none"> • Organise design plans • Engage a quantity surveyor • Select and engage contractors • Submit Development Application 		
7. Approvals <ul style="list-style-type: none"> • Obtain Approvals • Obtain certificate of practical completion • Final Report from Quantity Surveyor 		
8. Issuing of Titles		
9. Advertising and Marketing		

COMMERCIAL PROPERTY CHECKLIST

1. Research;
 - Trends in the market, where are investors investing?
 - Market sentiment?
2. Define your strategy
3. Select target property
 - Commercial offices
 - Medical
 - Industrial
 - Retail
 - Mixed use/Multiple income
 - Special purpose (business properties ie. Caravan parks, motels, hotels, retirement etc)
4. Select location
5. Find the deal.
6. Property Due Diligence
 - Speak to commercial brokers and other agents
 - Review the Properties
 - Review the Leases
7. Build your A Team
 - Commercial Real Estate Agent
 - Commercial Property Lawyer
 - Accountant
 - Business Broker
 - Specialist Consultants
 - Industry bodies
 - Leasing manager
 - Certifier
 - Tradesmen
 - Builder
 - Town Planner
 - Surveyor
 - Insurance broker
 - Quantity surveyor
 - Designer
8. Feasibility Analysis
 - Initial Rough Feaso
 - Detailed Feasibility
9. Negotiating the Acquisition
10. Financing
 - Valuations
 - Securing Finance
 - Application
 - Approval
11. Leasing and Managing
 - Engage Managing Agents or Manage yourself.
 - Prepared and check Lease Documents
 - Advertising for Leasee

STRATA CHECKLIST

1. Target Area Research and Analysis
2. Speak to local agents about the demand for the end product.
3. Do Council searches to identify examples of similar strata's.
4. Do Reverse Feaso's. Find out costs of
 - i. Town planner
 - ii. Surveying
 - iii. Legal Costs for establishing Community Management Schemes (CMS)
 - iv. Body Corporates
 - v. Council fees
5. Develop A-Team. Town Planner, Surveyor, Body Corp Manager (if applicable).
6. Identify and Secure Site/Property
7. Meet with town planner to determine the planning requirements for strata title.
8. Engage Surveyor to conduct survey plan of the site.
9. Work with Surveyor to finalise the survey plans
10. Compile documents required for development approvals
11. Engage Conveyancer for the Community Management Scheme (CMS) and off the plan contracts if required.
12. Surveyor to lodge the Survey Plan, CTS documents etc. with council for signing/sealing
13. Pay council fees
14. Registration of titles.
15. Engaging a Body Corporate Manager
16. Organise insurance (public liability and building insurance).
17. Call the first meeting of the body corp.
18. Sell part or all if part of the plan

RENOVATION CHECKLIST

1. Organise Structuring
2. Work out lending capacity
3. Target Area Research and Analysis
4. Speak to local agents about the demand for the end product.
5. Prepare feasibilities and determine scale of Reno required
6. Reno A Team – depending on the extent of renovations
 - builder
 - building certifier
 - building designer/draftsperson
 - building and pest inspector
 - Plumber, electrician, tiler, roofer etc.
 - suppliers
 - money lender/broker
 - real estate agent / buyers agent
 - property manager if you are planning to rent
 - specialists consultants e.g. interior designer
 - insurance broker
 - lawyer
 - staging consultant
7. Scope of work
 - List all works required internally
 - List all works externally
 - List any site works
8. Works program
 - Organise ordering of supplies, allow for lead times
9. Get any Approvals necessary
10. Organise Insurance
11. Completion of the physical renovation
 - a. Demolish and removal of waste
 - b. Engage contractors to complete works or schedule DIY program
 - c. Supervise trade works
12. Organise Selling and marketing of finished product
13. Organise Managing Agent if keeping

ROOMING/BOARDING HOUSES CHECKLIST

1. Research and analysis
 - Define your target market
 - Check the demand in your area
 - Find out about the local demographics
 - Determine suitable property type
 - i. New Build
 - ii. Retro Fit
 - Check council and state legislation
 - i. Town Planning Department
 - ii. Building Development
 - iii. Health and Wellbeing Department in Victorian councils and the equivalent in other councils
 - Check the Australian Building Code
 - i. Class 1b
 - ii. Class 3
2. Finance
 - Work with a finance strategist
3. Rooming/Boarding House A-Team
 - Property manager
 - Building certifier
 - Building and pest inspector
 - Builder
 - Lawyer that specialises in property
 - Moneylender or Broker
 - Tradespeople including plumber, electrician
 - Real estate agent / buyer's agent
 - Town planner
 - Accountant
 - Referral agencies re sourcing residents
4. Scope of work
 - Define all internal works
 - Define all external works
 - Define all landscaping and site works
5. Building Works
 - Organise design plans
 - Get quotes
 - Select and engage contractors
 - Submit building approval if required
 - Complete rooming/boarding house
6. Approvals
 - Obtain Approvals
7. Operational
 - Organise operational management
 - Advertise for residents, if managing yourself
 - Prepare evacuation sign etc. as per masterclass, if managing yourself

Strategy: Rooming House	Time	mth 1			mth 2			mth 3			mth 4			mth 5			mth 6			mth 7			mth 8			mth 9			mth 10			mth 11			mth 12					
		1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4							
Available Working Equity		\$				\$				\$				\$				\$			\$				\$			\$				\$			\$					
Rooming House Convert																																								
Scope of Works																																								
Building Works																																								
Occupancy Permit																																								
Registration																																								
Licensing																																								
Advertising for tenants																																								
Insurance																																								
Refinance																																								
Rooming House Build																																								
Scope of Works																																								
Scope: Internal																																								
Scope: External																																								
Scope: Site																																								
Building Works																																								
Build: Quotes																																								
Build: Select & Engage																																								
Build: Permit																																								
Construction																																								
Occupancy Permit																																								
Registration																																								
Advertising for tenants																																								

Multi-Construction Checklist

TASK	TIME FRAME	COST
1. Target Area Research and Analysis		
2. Speak to local agents about the demand for the end product.		
3. Do Feasibility <ul style="list-style-type: none"> • Zoning • Overlays • Searches 		
4. Determine State and Council Laws, restrictions and requirements for building a dwelling		
5. Meet with your town planner and local council		
6. Building A Team <ul style="list-style-type: none"> • Lawyer that specialises in development • Money Lender or Broker • Civil Engineer that will help with design, planning, feasibility and contracting • Town Planner • Architect • Land Surveyor • Hydraulic Engineer • Civil Hydraulic Engineer • Electrical Engineer • Quantity Surveyor (for larger developments) • Landscape Architect • Real Estate Agent / Purchasing Agent • Graphic Artist • Advertising Agency • Surveyor • Body Corp Manager 		
7. Structuring		
8. Negotiating and Acquisition		
9. Finance		
10. Design and Mapping <ul style="list-style-type: none"> • Architectural • Engineering • Quantity Surveying • Strata Planning requirements • Surveyor and Survey Plans 		
11. Selecting Builder <ul style="list-style-type: none"> • Fixed price contract 		
12. Applications, Permits and Quotes <ul style="list-style-type: none"> • Finance application for construction • Development Approvals • Quotes from required contractors 		
13. Implement Capital Works <ul style="list-style-type: none"> • Contractors checks • Construction phase • Completion phase 		
14. Engage Conveyancer for the Community Management Scheme (CMS) and off the plan contracts if required.		
15. Lodge Survey Plan, CTS etc with council for signing/sealing		
16. Registration of Titles		
17. Engaging a Body Corporate Manager		
18. Organise insurance (public liability and building insurance).		
19. Call the first meeting of the body corp.		
20. Advertising and Sale		

Construction Checklist

TASK	TIME FRAME	COST
1. Target Area Research and Analysis		
2. Speak to local agents about the demand for the end product.		
3. Do Feasibility <ul style="list-style-type: none"> • Zoning • Overlays • Searches 		
4. Determine State and Council Laws, restrictions and requirements for building a dwelling		
5. Meet with your town planner and local council		
6. Building A Team <ul style="list-style-type: none"> • Lawyer that specialises in development • Money Lender or Broker • Civil Engineer that will help with design, planning, feasibility and contracting • Town Planner • Architect • Land Surveyor • Hydraulic Engineer • Civil Hydraulic Engineer • Electrical Engineer • Quantity Surveyor (for larger developments) • Landscape Architect • Real Estate Agent / Purchasing Agent • Graphic Artist • Advertising Agency 		
7. Structuring		
8. Negotiating and Acquisition		
9. Finance		
10. Design and Mapping <ul style="list-style-type: none"> • Architectural • Engineering • Quantity Surveying 		
11. Selecting Builder <ul style="list-style-type: none"> • Fixed price contract 		
12. Applications, Permits and Quotes <ul style="list-style-type: none"> • Finance application for construction • Development Approvals • Quotes from required contractors 		
13. Implement Capital Works <ul style="list-style-type: none"> • Contractors checks • Construction phase • Completion phase 		
14. Marketing and Sale		

Strategy:	mth 1				mth 2				mth 3				mth 4				mth 5				mth 6				mth 7				mth 8				mth 9				mth 10				mth 11				mth 12															
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4												
Available Working Equity	\$				\$				\$				\$				\$				\$				\$				\$				\$				\$				\$				\$															
Target Area Research & Analysis																																																												
Research demand for end product																																																												
Feasibility Studies																																																												
Feasibility: Zoning																																																												
Feasibility: Overlays																																																												
Feasibility: Searches																																																												
Determine rules & restrictions																																																												
Meet your town planner / council																																																												
Build A Team																																																												
Structuring																																																												
Negotiation & Acquisition																																																												
Finance																																																												
Design & Mapping																																																												
Design: Architectural																																																												
Design: Engineering																																																												
Design: Quantity Surveying																																																												
Select Builder																																																												
Applications, Permits & Quotes																																																												
Implement Capital Works																																																												
Marketing & Sale																																																												

GRANNY FLAT CHECKLIST

1. Target Area Research and Analysis
2. Speak to local agents about the demand for the end product.
3. Do Feasibility.
4. Determine State and Council Laws, restrictions and requirements for building a granny flat
5. Meet with your town planner and local council
6. Building A Team
 - builder
 - building certifier
 - building designer/draftsperson
 - geotechnical engineers
 - suppliers
 - Plumber, electrician, tiler, roofer etc.
 - money lender/broker
 - sales agent/marketers if you are planning to sell
 - property manager if you are planning to rent the granny flat
 - specialists consultants e.g. interior designer, colour consultant, engineer
 - insurance broker
7. Choose a builder, prepare, design (for the demographic) and engineer plans as required and submit to council if necessary
8. Scope of works
 - List all works required internally eg. furnishing
 - List all landscaping and site works i.e. garden, turf, driveways etc.
9. Works program
 - Engage your builder and other contractors
 - Schedule the timing of works
 - Schedule ordering of supplies, accounting for lead times
10. Gain Approvals - Private certifier
11. Take out Construction and on completion Land Lord Insurance
12. Supervise construction works
13. Get Certificate of occupancy
14. Organise Rental manager

